

CALIFORNIA HORSE RACING BOARD  
1010 HURLEY WAY, SUITE 300  
SACRAMENTO, CA 95825  
(916) 263-6000  
FAX (916) 263-6042



## **REGULAR MEETING**

of the California Horse Racing Board will be held on Thursday, January 19, 2006, commencing at 10:00 a.m., at the Arcadia City Hall, 240 West Huntington Drive, Arcadia, California. The meeting will open at 10:00 a.m., then the Board will adjourn into Executive Session with the regular meeting commencing at approximately 10:30 a.m.

### **AGENDA**

#### **Action Items**

1. Discussion and action by the Board on the **approval of the minutes of the regular meeting of December 1, 2005.**
2. **Report of the Medication Committee.**
3. Discussion and action by the Board on the **proposed amendment to Rule 1843.2, Classification of Drug Substances, and the proposed addition of Rule 1843.3, Penalties for Medication Violations.**
4. Discussion and action by the Board on the **proposed addition of Rule 1920.1, Heightened Surveillance.**
5. Discussion and action by the Board on the **proposed amendment of Rule 1472, Rail Construction and Track Specifications, to accommodate the installation of polymer or wax coated sand racing surfaces.**
6. Discussion and action by the Board on **two proposed amendments to Rule 1974, Wagering Interest, 1) repeal of Rule 1974 & 1606, which eliminates coupled entries or 2) to amend Rule 1974 to provide that the withdrawal of one horse from a wagering interest that consists of more than one horse constitutes the withdrawal of the coupled entry for wagering purposes only, and any horse remaining in the coupled entry shall run for purse only.**
7. Discussion and action by the Board on the request of the Bay Meadows Foundation to **distribute charity racing proceeds in the amount of \$58,064 to 21 beneficiaries.**
8. Discussion and action by the Board on the request of Hollywood Park Racing Charities to **distribute charity racing proceeds in the amount of \$194,375 to 25 beneficiaries.**
9. Discussion and action by the Board on the business and economic effect of **requiring all California racing associations to make their audio-visual racing program available to any licensed ADW provider.**
10. Discussion on suggestions and efforts that would **stop or limit illegal gambling in California by offshore entities.**

11. Report from the Ad Hoc Committee on the progress of **establishing procedures for insuring public disclosure and accuracy of jockey weights.**
12. Discussion and action by the Board **regarding compliance with a Peremptory Writ of Mandate issued by the Court in California Harness Horsemen's Association v. CHRB, Sacramento County Superior Court, No.03CS01033.**
13. Discussion and action by the Board **regarding the monies Capitol Racing LLC is required by Business and Professions Code section 19605.7(c) to share, per written Horsemen's Agreement, with California Harness Horsemen's Association for harness meetings, from the 1997 to 2004, and formulation of plan and deadline for distributing the funds.**

**Other Business**

14. **General Business:** Communications, reports, requests for future action of the Board.
15. **Old Business:** Issues that may be raised for discussion purposes only, which have already been brought before the Board.
16. **Executive Session:** For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by Section 11126 of the Government Code.
  - A. Personnel.
  - B. Board may convene an Executive Session to consider any of the attached pending litigation.
  - C. The Board may also convene an Executive Session to consider any of the attached pending administrative licensing and disciplinary hearings.

Additional information regarding this meeting may be obtained from Roy Minami, at the CHRB Administrative Office, 1010 Hurley Way, Suite 300, Sacramento, CA 95825; telephone (916) 263-6000; fax (916) 263-6042. A copy of this notice can be located on the CHRB website at [www.chrb.ca.gov](http://www.chrb.ca.gov). \*Information for requesting disability related accommodation for persons with a disability who requires aids or services in order to participate in this public meeting, should contact Roy Minami.

**CALIFORNIA HORSE RACING BOARD**

Richard B. Shapiro, Chairman  
Marie G. Moretti, Vice Chairman  
John Andreini, Member  
William A. Bianco, Member  
Sheryl L. Granzella, Member  
John C. Harris, Member  
Jerry Moss, Member  
Ingrid Fermin, Executive Director

## CALIFORNIA HORSE RACING BOARD

**M e m o r a n d u m**

**Date** : January 9, 2006

**To** : **California Horse Racing Board**  
Richard B. Shapiro, Chairman  
Marie G. Moretti, Vice Chairman  
John Andreini, Member  
William A. Bianco, Member  
Sheryl L. Granzella, Member  
John C. Harris Member  
Jerry Moss, Member

**From** : Martin J. Snezek II  
**Senior Special Investigator**  
Administrative Hearings Unit

**Subject** : PROPOSED DECISIONS SCHEDULED FOR ACTION-EXECUTIVE SESSION

The following Proposed Decision may be reviewed for action:

**OFFFIELD, DUANE**  
**03BM-121**

Proposed Decision.

1010 Hurley Way, Suite 300, Sacramento, CA 95825

Phone: (916) 263-6000 □ FAX: (916) 263-6042

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**PENDING LITIGATION**  
**JANUARY, 2006**

**CASE**

**CASE NUMBER**

**MARTIN, JOHN v.**  
California Horse Racing Board

Sacramento County Superior Court  
No. 98CS00952

**CALIFORNIA HARNESS HORSEMEN'S  
ASSOCIATION and CAPITOL RACING,  
LLC, v.**  
California Horse Racing Board

Sacramento County Superior Court  
No. 03CS01033

**BERG, PAMELA A. v.**  
California Horse Racing Board

Sacramento County Superior Court  
No. 04AS03127

**CAPITOL RACING, LLC, v**  
California Horse Racing Board and  
(California Harness Horsemen's Association  
interested Party)

Sacramento County Superior Court  
No. 05CS01116

**PROCEEDINGS** of the Regular Meeting of the **California Horse Racing Board** held at the **Hollywood Park Racetrack**, 1050 South Prairie Avenue, California, on **December 1, 2005**.

Present: John C. Harris, Chairman  
William A. Bianco, Vice-Chairman  
John Andreini, Member  
Jerry Moss, Member  
Sheryl L. Granzella, Member  
Marie G. Moretti, Member  
Richard B. Shapiro, Member  
Ingrid Fermin, Executive Director  
Derry Knight, Deputy Attorney General

### **MINUTES**

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After making three corrections, Chairman Harris asked for approval of the minutes of the Regular Meeting of November 3, 2005. Commissioner Moretti **motioned** to approve the minutes as amended. Vice-Chairman Bianco **seconded** the motion, which was **unanimously carried**.

### **DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE SACRAMENTO HARNESS ASSOCIATION (H) AT CAL-EXPO, COMMENCING JANUARY 5, 2006, THROUGH JULY 29, 2006, INCLUSIVE.**

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Jacqueline Wagner, CHRB staff, said the Sacramento Harness Association (SHA) proposed to run 118 nights for a total of 1,436 races. The first live post time was 5:35 p.m. nightly through April 27, 2006, and commencing April 28, 2006, a 6:20 p.m. post time Friday and Saturday evenings. Ms. Wagner said staff recommended the Board approve the application as presented. Commissioner Shapiro said he understood SHA would conduct total carbon dioxide (TCO<sub>2</sub>) testing post-race. Chris Schick of SHA said there were many logistical problems with

testing pre-race at a harness meeting; in addition, it was standard practice to conduct TC02 testing post-race. Standardbred horses recovered from strenuous exercise sooner than thoroughbred horses, and if they were tested an hour and a half after the race, a true reading of the TC02 level could be taken. Commissioner Shapiro said he did not see a provision for "rent" payments on SHA's financial statement. He asked if there was a reason such payments were omitted. Mr. Schick said SHA recently made its first rent payment. Commissioner Shapiro stated he wanted to know if SHA had the ability to cover its rent and maintain its balance sheet as it moved into 2006. Mr. Schick said the rent payment should be in the financial statement. Commissioner Shapiro **motioned** to approve the application for license to conduct a horse racing meeting of SHA. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

**DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE PACIFIC RACING ASSOCIATION (T) AT GOLDEN GATE FIELDS, COMMENCING FEBRUARY 8, 2006, THROUGH MAY 7, 2006, INCLUSIVE.**

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Jacqueline Wagner, CHRB staff, said the Pacific Racing Association (PRA) proposed to run 65 days for a total of 566 races. Ms. Wagner stated the application was complete and staff recommended the Board approve the application as presented. Commissioner Shapiro said the application mentioned renovations to the barn area. He asked what they were and when they would be implemented, and what other plans PRA had to upgrade fan amenities. Peter Tunney of PRA said for the past several years PRA spent in excess of \$300,000 annually on renovations in the barn area, which include taking the buildings down to the studs and re-roofing and renovating the tack rooms. Mr. Tunney stated approximately 75 percent of the

barn area had been renovated. He added Golden Gate Fields stabled year round, so renovations were an on-going process. Commissioner Shapiro asked what PRA was doing to make the track surface safe. Mr. Tunney said PRA hired an experienced consultant to work on the track surfaces. He stated the statistics showed the track had turned around within the past few years. Chairman Harris asked if PRA saw the Polytrack synthetic surface as a solution to some of the track issues. Mr. Tunney said the Polytrack was new, and all the reports were encouraging, but there were still questions that had to be answered. He stated PRA also had not looked at environmental concerns. Chairman Harris said the Polytrack would be a major cost, but there could be significant returns with fewer injuries and less track maintenance. He stated he hoped PRA would continue looking at the Polytrack. Commissioner Shapiro **motioned** to approve the application to conduct a horse racing meeting of PRA. Commissioner Granzella **seconded** the motion, which was **unanimously carried**.

**DISCUSSION AND ACTION BY THE BOARD REGARDING SPECIAL EVENTS  
RACES TO BE HELD AT GOLDEN GATE FIELDS AND PURSE MONEY PROVIDED  
FROM HOLLYWOOD PARK.**

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Roy Minami, CHRB staff, said turf racing at Hollywood Park (HP) was canceled due to the condition of the turf course. To mitigate the loss of the turf course, interested parties were looking for ways to augment purses at HP for dirt races, or augment purses for turf races at Golden Gate Fields (GGF). Chairman Harris said he was concerned about Business and Professions (B&P) Code Section 19613, which provided that portions of purses, would be paid to the benefit of the horsemen racing at the racing meeting. He stated the concept was that money wagered at a track on horse races at that track, stayed at the track. Thoroughbred

Owners of California (TOC) proposed using HP purse funds to supplement purses at GGF. Chairman Harris said he was concerned the law did not provide the flexibility to move the funds. In addition, HP was not having a good meeting and needed the funds. He added he did not believe the Board was faced with such an emergency that it could override the law. Drew Couto of TOC said his organization was proposing to use B&P Code Section 19614.3 to alter the division of revenues between purses and commissions. The funds would never become purse money. Due to the contract, it would become commission revenue, so purse money was not being shifted from one association to another. Mr. Couto said he did not see a prohibition under B&P Code Section 19614.3 to what the parties were proposing. He stated the racing association and the TOC believed the owners would be served best by shifting a small amount of funds to supplement turf races in northern California, so owners who had relocated horses in this state would not be deprived. Chairman Harris said the statute referenced by Mr. Couto talked about the racing association and the organization representing the horsemen agreeing to reduce the portion deducted from the pari-mutuel pool for purses and commissions provided the change only effects funds available for purses or commissions. He stated the purpose of the statute was to lower takeout and increase attendance at the racetrack. Mr. Couto said he tended to avoid arguing the purpose of a statute, especially if one person sees the intent as one thing and someone else sees it as another. He stated as he read the statute, there was no prohibition regarding what was proposed. The statute related to two elements: the purses and the commissions. The initial allocation to purses was being reduced to increase commissions; so supplemental purses could be paid at GGF. Commissioner Shapiro said he understood the parties had an agreement regarding the funds. The loss of the turf course at HP was an



unfortunate situation, and a group of horses in California had no place to run. Commissioner Shapiro said he thought it was in the best interest of horse racing in California that an opportunity is given to horsemen who had planned to race. He stated the law was not clear, and he did not support the concept that purses should be shifted from one track to another, but the industry was faced with an unforeseen emergency, and there was a loophole that could be taken advantage of. Commissioner Shapiro said the parties agreed to the scheme, and no trainers or owners had objected, so the Board should support the transfer of the funds. Chairman Harris asked if there were other funds available. He stated the issue should be looked at like the surcharging of races to the California Marketing Committee (CMC), which would possibly be legal. Mr. Couto said there was no funding available in the 2005 CMC budget for such purposes. He stated using CMC funds would also require the other racing associations, who were not responsible for the condition of the HP turf course, to contribute to the remedy. Chairman Harris said he had not heard an outcry from the horsemen or trainers that shifting the monies was important. Mr. Couto said there was no outcry because the horsemen and owners were largely satisfied with the proposal. He stated TOC had received positive feedback, and from the results of races conducted in Northern California it could be seen that a high number of Southern California horses had moved to take advantage of the races. Commissioner Moss asked if there was information regarding disbursal of the funds. Mr. Couto said a schedule of purses was published by GGF and every effort was made to ensure Southern California horsemen were made aware of the opportunities. Peter Tunney of GGF said data demonstrated as many as 70 to 80 percent of the horses in the turf races were from Southern California. He added the norm would be 50 percent. Deputy Attorney General

Darry Knight said he thought there was a legally defensible mechanism to transfer the funds. If the Board wished to endorse the proposal, it should waive its definition of special events racing as part of any motion. Mr. Knight said he was not advocating one way or the other. He was asked if the action would be legally defensible, and it was his view that it was. Chairman Harris said if the action could be defended, not taking action was also defensible. He stated his concern was larger than the issue. The Board would place itself in a precarious position if it started stretching the law. Mr. Couto said TOC recognized the proposed action was an exceptional resolution to a unique situation. He stated TOC was not looking at the action as precedence for use in the future. However, the proposed use of the monies would allow the Board and the participants some flexibility to devise a solution that served the best interests of the State of California. Commissioner Moss **motioned** to waive the Board's definition of special events; find that the request is a special event under the circumstances; and approve the proposed purse agreement at GGF to permit up to \$166,000 and other costs pursuant to the agreement between the parties. Vice-Chairman Bianco **seconded** the motion, which was **carried** with Chairman Harris and Commissioner Granzella voting "no."

#### **DISCUSSION ON THE JOCKEY'S GUILD AND THE CALIFORNIA HEALTH AND WELFARE PLAN.**

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Commissioner Shapiro said new management had been installed at the Jockey's Guild (Guild). He stated in the midst of all the changes at the Guild, the most critical issue was health insurance, as the organization had no funds. The Guild was being given leads within the insurance industry so jockey health care could be maintained. As a health and welfare measure

the Board transmitted \$300,000 to the Guild. The funds were a partial payment of the 2005 \$1 million payment to the California Health and Welfare plan. Commissioner Shapiro commented it would take a national industry effort to keep the Guild functioning, and the support of the Board would be very helpful. Commissioner Harris asked if the transfer of the funds needed Board approval. Commissioner Shapiro said the transfer was not an action item on the agenda, but it could be ratified at a later date if needed. He added an independent audit of the Guild was authorized, but was halted due to the turmoil in management. Roy Minami, CHRB staff, said staff was arranging an audit through the California Department of Finance. The Guild had a new chief financial officer with whom staff would coordinate the audit. Vice-Chairman Bianco asked if the Guild had errors and omissions (EO) insurance. Commissioner Shapiro said the Guild did have such insurance, however, the likelihood of the insurance carrier making good a claim was slim due to the actions of the previous management. There were civil and criminal claims pending against the Guild as well as its ex-management, so coverage under the EO insurance was not likely.

**DISCUSSION AND ACTION BY THE BOARD ON THE APPROVAL OF STEWARD AND OFFICIAL VETERINARIAN CONTRACTS.**

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Roy Minami, CHRB staff, said the Board's approval was required to augment two stewards' contracts and to add an interim official veterinarian. Chairman Harris said it should be made clear that the appointments were contract workers and did not imply continued employment beyond the term of the contracts. Commissioner Moretti **motioned** to approve the steward and official veterinarian contracts. Commissioner Granzella **seconded** the motion, which was **unanimously carried**.

**DISCUSSION AND ACTION BY THE BOARD ON THE CONCERNS FOR TRACK SURFACE SAFETY AND CONSISTENCY.**

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Ed Halpern of California Thoroughbred Trainers (CTT) said there were two critical issues in the industry: owners buying horses, and keeping those horses on the track. He stated he estimated as much as six to seven million dollars worth of horses were lost every month in Southern California due to on-track breakdowns. Mr. Halpern stated a greater number of horses probably never returned to the track after an injury, and even more horses are laid up for as long as six months to a year. Horses that are laid up cost owners as much as \$10,000 to \$50,000 before they return to the track. The cost factor for owners was inextricably intertwined with lack of ownership. Howard Zucker of the CTT said his organization recently held a meeting at Santa Anita at which trainers voiced their concerns. He stated the predominant topic of the meeting was injuries. Mr. Zucker said there were many factors contributing to injuries, but track safety was one of the most important. He stated California trainers did not believe the state's tracks were safe. The CTT was involved in scientific studies regarding track safety and had developed new instrumentation to quantify track surfaces and make them more consistent. Mr. Zucker said the instruments needed to go into production so they could be used, but meanwhile, the CTT needed to hear how the racing associations intended to improve their racetracks. He stated he did not want to hear long-term solutions. He wanted to hear how in the short term the industry would improve the organic tracks it was currently dealing with. Mr. Zucker said the CTT was asking the Board to help the tracks with their improvement plans. He stated the CTT met with representatives of Magna Entertainment (ME) and discussed how ME would maintain its track. Mr. Zucker said he also spoke with Hollywood Park's (HP) track superintendent regarding long and short-term maintenance of

HP's track. In addition, he hoped to hear what Del Mar plans for its track. Mr. Zucker stated his experience with the Polytrack surface in Kentucky had been positive, but he did not know how the track would work in California. Chairman Harris said track surfaces were an important issue. Better diagnostic tools were needed to define the condition of tracks at any given point, and the study begun by the quarter horse industry needed to be finished. Mr. Halpern said the study stalled last year. The consulting engineer used by the CTT was a university instructor who was available intermittently. The consultant measured the Polytrack twice to determine the effects of weather on the track. He has also developed instrumentation to help produce a consistent track surface. However, the instrument was very expensive; one unit would cost \$250,000, and three units would cost \$500,000. The equipment could be very valuable for the track that buys it and makes it a part of its regular maintenance program. Commissioner Shapiro said he attended more than one CTT trainers' meeting. He stated there was a wide cross section of trainers at the meetings, and they were passionate about horses and the future of horse racing in California. Commissioner Shapiro said the number of injuries and breakdowns was alarming, and the Board needed to hear from each racing association what it intended to do to maintain safer racetrack surfaces. Commissioner Shapiro read a letter from trainer Eoin Harty regarding racetrack surfaces in California and how they were affecting his ability to attract clients to this State, and the health of his barn. Commissioner Shapiro said he heard much the same from the trainers at the CTT meetings he attended. He stated the problem had to be solved. Perhaps each of the associations should rebuild their tracks, or institute the Polytrack by a given date. Maybe an incentive could be given to the first track that installed the synthetic surface, or money could be taken from a fund to offset the costs, but

the problem had to be solved. Three trainers spoke about the unsafe conditions of California racetracks and the advantages of the Polytrack surface. Dr. Rick Arthur said the data from Turfway Park was interesting. In 21 days of racing, not one horse needed the ambulance to leave the track in morning training. He stated California's training injuries were phenomenally high compared to elsewhere. At Turfway Park only 10 horses did not finish, and only three of those were lame according to hearsay. Dr. Arthur commented the race life of a horse in California was 12 months. Horses left California's race surfaces for many reasons and a lot of them never race again. If one extrapolated the numbers one would see the estimated attrition rate was approximately 4.2 percent of horses per month, which was roughly 130 horses. If the average value of those horses was \$50,000 – the cost in lost horses was \$6 million a month. It cost roughly \$6 million to install a new track. Dr. Arthur stated if only one more start per year was achieved from the horses leaving the track, it would be the equivalent of adding 500 additional horses to the circuit, or \$25 million in horses. He said California's racetracks were hard and inconsistent. In addition, California's trainers trained very hard. The number of workouts per horse in California was twice that of Kentucky and 50 percent more than in New York. There were a lot of factors involved in the issue of track safety and anything California could do to improve its racing surfaces would benefit the State. Dr. Arthur said the advantage of Polytrack was its consistent surface. The data indicated it was about the same hardness as some of California's tracks, but the surface was consistent and horses liked it. He commented it was very much like a turf course, as when the horse planted its feet they were comfortable. He stated he realized installing a Polytrack surface was a major expenditure, but it had been used successfully in Europe for ten years and the last few years in the United States.

Commissioner Shapiro asked Dr. Arthur to comment on any respiratory problems with Polytrack. Dr. Arthur said the kickback from the track was light, and is filtered out through the nasal cavity. He stated horses had an elongated nasal cavity and could filter such things out. There had been no evidence of any increased lower respiratory problems. Commissioner Moretti asked if there were any other down sides, besides the cost. Dr. Arthur said there were none; it was the money. Drew Couto of Thoroughbred Owners of California (TOC) said given the monthly investment made by horse owners, it was long overdue for the racing associations to respond with the same investment to protect the inventory – the natural resource that kept the industry operating. Mr. Couto stated TOC was pleased with the representations made by HP and Bay Meadows that if TOC supported their request for three years of race dates, California would have a Polytrack surface by November 2006. He added TOC believed Del Mar was committed to having a Polytrack surface as soon as possible. Regarding incentives: Mr. Couto said TOC did not wish to acquire assets for privately owned companies, but it was willing to work to expedite investment in the surfaces. Commissioner Moretti said the California Marketing Committee (CMC) was mentioned as a possible source of funds. She stated the track surfaces affected marketing, so why could not such funds be used? Commissioner Shapiro said he would rather see Polytrack surfaces installed than listen to a radio show talk about the results of races. The CMC received up to \$6 million a year and the racing industry would be better served if CMC money was allocated to pay for Polytrack surfaces at all of California's major tracks. Commissioner Shapiro stated he understood the Polytracks used very little water. Perhaps there were potential tax-advantages that could be achieved by installing such surfaces due to savings in fuel and water. Mr. Couto said there

were other sources of funding. He stated the industry worker's compensation fund was experiencing a surplus, and was being evaluated by an outside source. The TOC believed if injuries to horses were prevented, injuries to jockeys would be prevented as well. By reducing the number of injuries to riders, the overall costs to worker's compensation would also be reduced. That was one way the industry might be able to use some of that money to help encourage tracks to install Polytrack surfaces. Commissioner Granzella asked how long the Polytrack surface lasted. Craig Fravel of Del Mar said the surface had been in use in England for as long as 11 years and there was very little replacement of material. In addition, the surface was in use in the United States. Mr. Fravel said he was an advocate of moving forward with the track surface. Del Mar was in the process of working to develop plans to install the track as soon as possible. He stated Del Mar found cost studies that indicated it would save at least a half million dollars a year. Mr. Fravel said the Polytrack was a good solution to the problem of poor track surfaces, but it was important that they be installed correctly. It was also a good idea to examine other sources of funding, as track surfaces were legitimate safety issues; horse and human lives would be saved. Mr. Fravel suggested the Board form a special committee on track surfaces and hold periodic meetings to update the industry's progress on the issue. Commissioner Shapiro asked how Mr. Fravel would feel if the Board required installation by 2007. He said the Board did not need a committee to issue licenses, and the industry seemed to feel the surface was an answer to its problems. The Board wanted to see the new track surfaces installed as soon as possible, so what would happen if it made installation by 2007 a condition of license? Mr. Fravel said he did not speak for the funding of the surfaces, so he did not want to commit to something he did not have full



information on. However, he said he personally would not object to Commissioner Shaprio's suggestion. He added, though, the track had to be installed properly, and it was not a two-week process. The racing association would be building a roadbed, an entirely new surface with a permeable asphalt base and a fresh drainage system. The track required a sophisticated grading effort with computerized laser technology. Del Mar had a fair amount of time between its meetings, so installation would not be problematic. Other racing associations did not have as much of a break between meetings, or were also used for training, so the industry needed to work together. Commissioner Shapiro said the industry needed to understand the issue was urgent. He said the Board would do what it could to help Del Mar with the Costal Commission or the Fair Board, and it would work with the private associations. Commissioner Andreini said it would be difficult for associations that run 11 months of the year to install such a track, unless they could run at a thoroughbred track. Mr. Fravel said the industry would have to work together. He stated he did not believe there was any difference in terms of the benefits to thoroughbred or quarter horses. Chairman Harris said the Board clearly had an incentive for associations in terms of licensing, but the solution was to get the trainers and associations together and really work it out. Commissioner Shapiro said he agreed. The Board should form a special committee to clearly establish goals and objectives. Ron Charles of MEC said his organization was committed to doing what it could to improve its track surfaces. He stated the meetings with CTT members resulted in changes that had already been implemented. MEC would keep a close watch to ensure it was moving in the right direction. Mr. Charles said he was 100 percent behind the Polytrack surface. He stated MEC understood the seriousness of the situation and was genuinely touched by the seriousness of the

CTT trainers. As a racing fan, previous owner, and as a racetrack manager, Mr. Charles said he would work to make a difference and to improve the surface at Santa Anita. Jack Liebau of HP said his organization would work to initiate short-term and long-term solutions to the track surface problem. When Bay Meadows acquired HP it discussed installing a Polytrack. Mr. Liebau stated Bay Meadow's plans were still in force, and it was proceeding with deliberate speed. He added engineers would soon start preliminary work on the track, and Bay Meadows hoped to have it installed as soon as possible after the 2006 summer meeting. Chairman Harris said the Board should form an oversight committee to work with the various tracks. He stated Commissioners Shapiro and Moss would serve on the committee.

**DISCUSSION AND ACTION BY THE BOARD ON THE MATTER OF ADW LICENSES WITH REGARD TO THE EMPLOYMENT OF LOCAL 280 MEMBERS AT ADW CALL CENTERS.**

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Chairman Harris said the item was tabled.

**DISCUSSION AND ACTION BY THE BOARD REGARDING PROMOTION FUND MONIES OWED BY CAPITOL RACING LLC TO CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION FOR 1997 TO 2004 HARNESS MEETS AT LOS ALAMITOS, AND REQUEST FORMULATION OF PLAN FOR DISTRIBUTING THE FUNDS.**

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Chairman Harris said the item was tabled.

**DISCUSSION AND ACTION BY THE BOARD ON CAPITOL RACING LLC'S REQUEST TO BE RELEASED FROM VARIOUS SECURITIES HELD BY THE BOARD REGARDING THE IMPACT FEE LITIGATION IN *CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION v. CHRB*, SACRAMENTO COUNTY SUPERIOR COURT, NO. 03CS01033.**

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Commissioner Shapiro **motioned** to defer the matter due to the possibility of an appeal. Vice-Chairman Bianco **seconded** the motion. Greg Marco, representing Capitol Racing (CR), said the securities that CR was asking to be released were posted pending the outcome of the case in the Superior Court. He stated the case was finished and there was a final judgment, so appeals were irrelevant to the continued holding. In addition, the bonds required as a condition of their exercise that a judgment against CR be made in the Superior Court. That did not happen, so the bonds could not be exercised. If the Board failed to release the bonds, it only incurred costs for CR. Commissioner Shapiro said it was the Board's understanding that the securities would be dealt with after a final resolution, so he was asking that the matter be deferred. The motion was **carried** with Commissioner Andreini **recusing** himself.

**DISCUSSION AND ACTION BY THE BOARD ON TERMS WITHIN THE JUNE 7, 2005, SETTLEMENT AGREEMENT BETWEEN THE CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION AND LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION IN *CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION v. CHRB*, SACRAMENTO COUNTY SUPERIOR COURT, NO. 03CS01033, SUGGESTING AN IMPACT FEE AGREEMENT BETWEEN CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION, SACRAMENTO HARNESS ASSOCIATION AND LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION.**

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Commissioner Shapiro **motioned** to defer the matter. Robert Long, representing Los Alamitos Race Course (LACR), said his organization was working on a motion for a new trial. He stated if the motion were not successful, LACR would file an appeal. He stated there could be no final judgment in the matter until an opportunity for a new trial was exhausted. Mr. Long

stated it was premature for the request to be considered. Vice-Chairman Bianco **seconded** the motion, which was **unanimously carried**.

**ELECTION OF BOARD CHAIRMAN AND VICE CHAIRMAN.**

Chairman Harris said he was honored to have been Board Chairman, but he felt it was time to step aside – although he would remain on the Board. Chairman Harris opened the nominations for Chairman. Commissioner Granzella **nominated** Commissioner Shapiro. Commissioner Moss **seconded** the motion. Commissioner Andreini **nominated** Chairman Harris. Chairman Harris thanked Commissioner Andreini, and **declined** the nomination. The nomination of Commissioner Shapiro for the position of Chairman of the Board was **unanimously carried**. Chairman Harris opened the nominations for Vice-Chairman. Commissioner Shapiro **nominated** Commissioner Moretti. Commissioner Moss **seconded** the nomination, which was **unanimously carried**.

**STAFF REPORT ON THE FOLLOWING CONCLUDED RACE MEETING:**

**A. OAK TREE RACING ASSOCIATION AT SANTA ANITA FROM SEPTEMBER 28 THROUGH NOVEMBER 6, 2005.**

Sherwood Chillingworth of Oak Tree Racing Association (OTRA) said the first part of OTRA's meeting was off due to the extreme heat and not promoting opening day. He stated the 2006 meeting would be promoted differently. Mr. Chillingworth spoke about some of the promotions and their effect on attendance and handle. He stated OTRA learned a lot from the meeting, which ended on a high note. OTRA was \$102,000 overpaid ten days out, and ended

\$122,000 underpaid ten days later. Mr. Chillingworth commented it was a remarkable recovery, and it was due to hard work, good management and the weather.

#### **REPORT OF THE PARI-MUTUEL COMMITTEE.**

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Commissioner Moss said the Pari-Mutuel Committee (committee) met on November 30, 2005. He stated the committee discussed coupling of horses. Currently, if one part of the entry is scratched, the patron was left with the remaining half – which perhaps he did not wager on. The committee looked at a remedy that would leave the remaining half of the entry as a non-wagering interest running for purse only. Commissioner Moss said the committee also talked about opening more wagering venues in California. The Deputy Attorney General was looking at the limitations on wagering venues. He added there were many areas in the State that were prime locations, and there were parties interested in making investments in additional wagering sites. Commissioner Moss said Santa Anita indicated it was interested in creating a situation wherein patrons at the racetrack could reap larger benefits than those making wagers from remote locations. If a pick six holder was at the racetrack, he would receive a hundred thousand dollar bonus, but only if the person was at the racetrack. Commissioner Moss said the bonus would be a reason for local patrons to come to the track rather than wager from home.

#### **GENERAL BUSINESS**

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Barry Abrams spoke about the declining quality of horse racing in California, and unpredictable officiating by California stewards. He stated the perception outside California

was that the stewards were looking for reasons to disqualify a horse by watching inquiries multiple times. Commissioner Shapiro suggested a Stewards Committee meeting could be held to address the issue.

**MEETING ADJOURNED AT 12:29 P.M.**

A full and complete transcript of the aforesaid proceedings are on file at the office of the California Horse Racing Board, 1010 Hurley Way, Suite 300, Sacramento, California, and therefore made a part hereof:

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Chairman

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Executive Director

**ITEM 2**

**CALIFORNIA HORSE RACING BOARD**

**January 19, 2006 Regular Board Meeting**

There is no board package material for this item.



STAFF ANALYSIS  
DISCUSSION AND ACTION ON THE  
PROPOSED AMENDMENT OF  
CHRB RULE 1843.2,  
CLASSIFICATION OF DRUG SUBSTANCES  
AND  
THE PROPOSED ADDITION OF  
CHRB RULE 1843.3  
PENALTIES FOR MEDICATION VIOLATIONS

Regular Board Meeting  
January 19, 2006

BACKGROUND

Business and Professions Code (B&P Code) Section 19440 specifies, in part, that the Board shall have all powers, including but not limited to adopting rules and regulations for the protection of the public and the control of horseracing and pari-mutuel wagering. B&P Code 19580 states in part that the Board shall adopt regulations to establish policies, guidelines and penalties relating to equine medication in order to preserve and enhance the integrity of horseracing in this State. Section 19581 of the B&P Code specifies that no substance of any kind shall be administered by any means to a horse after it has been entered to race in a horse race, unless the Board has, by regulation, specifically authorized the use of the substance and the quantity and composition thereof. B&P Code Section 19582 provides that violations of Section 19581, as determined by the Board, are punishable in regulations adopted by the Board. It provides further that the Board may classify violations based upon each class of prohibited drug substances, prior violations within the previous three years and prior violations within the violator's lifetime. The Board may provide for suspensions of not more than 3 years, monetary penalties of not more than \$50,000 dollars, and disqualification from purses, except for a third violation during the lifetime of the licensee, for a drug substance determined to be class 1 or class 2, which shall result in the permanent revocation of the person's license. The punishment for second and subsequent violations of Section 19581 shall be greater than for first violations for violations of each class of prohibited drug substance.

At the July 2005 Medication committee meeting, the issue of establishing penalties for medication violations was discussed. It was suggested that the Racing Medication and Testing Consortium (RMTC) penalty guidelines be reviewed to determine how they could be incorporated into the CHRB rules. Subsequent to the July 2005 meeting the proposed Rule 1843.3 was developed and last discussed at the November 2005 meeting of the Medication committee. At that meeting further revisions were made to include mitigating circumstances for which a lesser or no penalty is appropriate, and aggravating factors, which may increase the assessed penalty beyond the minimum. In addition, it was recommended that the RMTC penalty categories be reviewed by the Equine Medical Director and the Director of the Maddy Equine Analytical Chemistry Laboratory at U.C. Davis, to ensure that the penalty categories are in line with California's recommendations.

## ANALYSIS

The RMTC Board of Directors has developed uniform penalty guidelines for medication violations. These guidelines were presented to the Association of Racing Commissioners International (ARCI) and the National Association of Professional Racing Administrators (NAPRA) Joint Model Rules Committee for their consideration.

The proposed addition of Rule 1843.3, Penalties for Medication Violations, incorporates the RMTC recommendations with the exception of Category A second offense which is inconsistent with Board Rule 1495, Re-Hearing After Denial of License. The RMTC proposal provides for a maximum penalty of license revocation with no reapplication for a three-year period. Rule 1495 allows for reapplication for a license after one-year from the effective date of the decision to deny a license. In addition, Category A third offense provides for a five-year suspension that is inconsistent with B&P Code 19582 (b), which provides for a maximum three-year suspension. The three-year suspension coincides with the CHRB's term of license. The proposed rule reflects text that corresponds to California law and the Board's regulations.

It should be noted that the flunixin level represented in Category C are currently being reviewed by the RMTC. A decision regarding the level is expected in February 2006. When this level is determined, Rule 1843.3 will need to be revised to reflect the correct level. The current level of 100 mg/ng is consistent with Board policy.

Should the committee approve the proposal to add Rule 1843.3 to the Board's rules, it will be necessary to amend 1843.2, Classification of Drug Substances.

Presently Rule 1843.2, Classification of Drug Substances, classifies drug substances into seven classifications. The RMTC penalty guideline recommendations rely on the five drug classifications established by the ARCI Uniform Classification.

The proposal to amend 1843.2 will delete the seven drug classifications and reference the ARCI's drug classifications.

## RECOMMENDATION

The proposed amendment to Rule 1843.2, and the proposed addition of Rule 1843.3, as well as the CHRB's Penalty Categories Listing By Classification are attached for your review and discussion. The Board's Equine Medical Director and the Director of the Equine Analytical Laboratory at U.C. Davis have proposed penalty changes for thirty-one drug substances. These are bolded for your reference.

This item will be discussed at the January 18, 2006 meeting of the Medication Committee. Staff recommends the Board hear from the Committee.

CALIFORNIA HORSE RACING BOARD  
TITLE 4, CALIFORNIA CODE OF REGULATIONS  
ARTICLE 15, VETERINARY PRACTICES

Proposed addition of  
Rule 1843.3  
Penalties for Medication Violations

Regular Board Meeting  
January 19, 2005

1843.3. Penalties for Medication Violations.

(a) In reaching a decision on a penalty for violation of Business and Profession Code section 19581, the Board or the Board of Stewards shall consider the penalties set forth in subsections (e) and (f) of this rule. Deviation from these penalties is appropriate where the Board in its sole discretion determines by adoption of a proposed decision or stipulation that the facts of the particular case warrant such a deviation, for example: there may be mitigating circumstances for which a lesser or no penalty is appropriate, and aggravating factors, which may increase the penalties beyond the minimum.

(b) Mitigating circumstances and aggravating factors include, but are not limited to:

- (1) The past record of the trainer, veterinarian and owner in drug cases;
- (2) The potential of the drug(s) to influence a horse's racing performance;
- (3) The legal availability of the drug;
- (4) Whether there is reason to believe the responsible party knew of the administration of the drug or intentionally administered the drug;
- (5) The steps taken by the trainer to safeguard the horse;
- (6) The probability of environmental contamination or inadvertent exposure due to human drug use;
- (7) The purse of the race;

(8) Whether the drug found was one for which the horse was receiving a treatment as determined by a Confidential Veterinarian Report Form;

(9) Whether there was any suspicious wagering pattern in the race;

(10) Whether the licensed trainer was acting under the advice of a licensed veterinarian.

(c) For purposes of this regulation, the Board shall, upon determination that an official pre-or post-race test sample from a horse participating in any race contained any drug substance, medication, metabolites or analogues thereof foreign to the horse, whose use is not expressly authorized in this division, or any drug substance, medication or chemical authorized by this article in excess of the authorized level or other restrictions as set forth in this article, consider the classification of drug substances as classified by the Association of Racing Commissioners International (ARCI) Uniform Classification Guidelines for Foreign Substances, dated 4/05 and the California Horse Racing Board (CHRB) penalty categories, dated 12/05 , which are hereby incorporated by reference.

(d) If a penalty is administered it shall be greater than the last penalty administered to the licensee for a violation concerning the same class of drug substance.

(e) Penalties for violation of each classification level are as follows:

## CATEGORY "A" PENALITIES

Penalties for violations due to the presence of a drug substance in an official pre- or post-race samples, whose ARCI drug classification is categorized as warranting a Category A penalty:

1 <sup>st</sup> offense	2 <sup>nd</sup> LIFETIME offense	3 <sup>rd</sup> LIFETIME offense
<p>◦ <u>Minimum one - year suspension. absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a three-year suspension.</u></p> <p style="text-align: center;"><b><u>AND</u></b></p> <p>◦ <u>Minimum fine of \$10,000 or 10% of gross purse (greater of the two) absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of \$25,000 or 25% of purse (greater of the two) fine.</u></p> <p style="text-align: center;"><b><u>AND</u></b></p> <p>◦ <u>May be referred to the Board for any further action deemed necessary by the Board.</u></p>	<p>◦ <u>Minimum three-year suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of license revocation with no reapplication for a three-year period.</u></p> <p style="text-align: center;"><b><u>AND</u></b></p> <p>◦ <u>Minimum fine of \$25,000 or 25% of gross purse (greater of the two) absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of \$50,000 or 50% of purse (greater of the two).</u></p> <p style="text-align: center;"><b><u>AND</u></b></p> <p>◦ <u>May be referred to the Board for any further action deemed necessary by the Board.</u></p>	<p>◦ <u>Minimum three -year suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of permanent license revocation.</u></p> <p style="text-align: center;"><b><u>AND</u></b></p> <p>◦ <u>Minimum fine of \$50,000 or 50% of gross purse (greater of the two) absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of \$100,000 or 100% of purse (greater of the two).</u></p> <p style="text-align: center;"><b><u>AND</u></b></p> <p>◦ <u>May be referred to the Board for any further action deemed necessary by the Board.</u></p>
1 <sup>st</sup> offense	2 <sup>nd</sup> LIFETIME offense in owner's stable	3 <sup>rd</sup> LIFETIME offense in owner's stable
<p>◦ <u>Disqualification and loss of purse.</u></p> <p style="text-align: center;"><b><u>AND</u></b></p> <p>◦ <u>Horse may be placed on the veterinarian's list for up to 90 days and must pass a Board - approved examination pursuant to Rule 1846 before becoming eligible to be entered.</u></p> <p style="text-align: center;"><b><u>AND</u></b></p> <p><u>Be subject to drug testing and be negative for prohibited drug substances as defined in Rule 1843.1</u></p>	<p>◦ <u>Disqualification and loss of purse.</u></p> <p style="text-align: center;"><b><u>AND</u></b></p> <p>◦ <u>Horse shall be placed on the veterinarian's list for up to 120 days and must pass a Board -approved examination pursuant to Rule 1846 before becoming eligible to be entered.</u></p> <p style="text-align: center;"><b><u>AND</u></b></p> <p><u>Be subject to drug testing and be negative for prohibited drug substances as defined in Rule 1843.1</u></p>	<p>◦ <u>Disqualification, loss of purse and \$50,000 fine.</u></p> <p style="text-align: center;"><b><u>AND</u></b></p> <p>◦ <u>Horse shall be placed on the veterinarian's list for up to 180 days and must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered.</u></p> <p style="text-align: center;"><b><u>AND</u></b></p> <p><u>Be subject to drug testing and be negative for prohibited drug substances as defined in Rule 1843.1</u></p> <p style="text-align: center;"><b><u>AND</u></b></p> <p>◦ <u>Referral to the Board with a recommendation of a suspension for a minimum of 90 days.</u></p>

## CATEGORY "B" PENALITIES

Penalties for violations due to the presence of a drug substance in an official pre- or post-race samples, whose ARCI drug classification is categorized as warranting a Category B penalty and for violations of the established levels for total carbon dioxide as defined in Board Rule 1843.6:

1 <sup>st</sup> offense	2 <sup>nd</sup> offense (365-day period)	3 <sup>rd</sup> offense (365-day period)
<ul style="list-style-type: none"> <li>◦ <u>Minimum 15-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 60-day suspension.</u></li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ <u>Minimum fine of \$500 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of \$5000.</u></li> </ul>	<ul style="list-style-type: none"> <li>◦ <u>Minimum 30-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 180-day suspension.</u></li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ <u>Minimum fine of \$1,000 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of \$10,000.</u></li> </ul>	<ul style="list-style-type: none"> <li>◦ <u>Minimum 60-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a one-year suspension.</u></li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ <u>Minimum fine of \$2,500 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of \$15,000 or 10% of purse (greater of the two).</u></li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ <u>May be referred to the Board for any further action deemed necessary by the Board.</u></li> </ul>
1 <sup>st</sup> offense	2 <sup>nd</sup> offense in stable (365-day period)	3 <sup>rd</sup> offense in stable (365-day period)
<ul style="list-style-type: none"> <li>◦ <u>Disqualification and loss of purse in the absence of mitigating circumstances.</u></li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ <u>Horse must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered.</u></li> </ul> <p style="text-align: center;"><b>AND</b></p> <p><u>Be subject to drug testing and be negative for prohibited drug substances as defined in Rule 1843.1</u></p>	<ul style="list-style-type: none"> <li>◦ <u>Disqualification and loss of purse, in the absence of mitigating circumstances.</u></li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ <u>Horse must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered.</u></li> </ul> <p style="text-align: center;"><b>AND</b></p> <p><u>Be subject to drug testing and be negative for prohibited drug substances as defined in Rule 1843.1</u></p>	<ul style="list-style-type: none"> <li>◦ <u>Disqualification, loss of purse and \$5,000 fine in the absence of mitigating circumstances.</u></li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ <u>Horse shall be placed on the veterinarian's list for up to 45 days and must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered.</u></li> </ul> <p style="text-align: center;"><b>AND</b></p> <p><u>Be subject to drug testing and be negative for prohibited drug substances as defined in Rule 1843.1</u></p>

## CATEGORY "C" PENALTIES

Penalties for violations due to the presence of a drug substance in an official pre-or post race sample, whose ARCI drug classification is categorized as warranting a Category C penalty and for the presence of more than one non-steroidal anti-inflammatory (NSAID) in a plasma/serum sample, as defined in Board Rule 1844, and overages for permitted NSAIDs as defined in Board Rule 1844 and furosemide as defined in Board Rule 1845 in an official pre- or post-race samples. All concentrations are for measurements in serum or plasma.

<b>LICENSED TRAINER</b>	<b>Phenylbutazone (5.1-9.9 mcg/ml) Flunixin (21-99 ng/ml) Ketoprofen (11-49 ng/ml) Furosemide (&gt;100 ng/ml) and no furosemide when identified as administered**</b>	<b>Phenylbutazone (≥10.0 mcg/ml) Flunixin (≥100 ng/ml) Ketoprofen (≥50 ng/ml) and CLASS C Violations</b>
<u>1<sup>st</sup> Offense (365-day period)</u>	<u>Minimum fine of \$250 absent mitigating circumstances</u>	<u>Minimum fine of \$500 absent mitigating circumstances to a maximum of \$1000.</u>
<u>2<sup>nd</sup> Offense (365-day period)</u>	<u>Minimum fine of \$500 absent mitigating circumstances</u>	<u>Minimum fine of \$1,000 to a maximum of \$2000. and up to 15-day suspension absent mitigating circumstances</u>
<u>3<sup>rd</sup> Offense (365-day period)</u>	<u>Minimum fine of \$1,000 and 15 day suspension absent mitigating circumstances</u>	<u>Minimum fine of \$2,500 and up to 30- day suspension absent mitigating circumstances</u>
<b>LICENSED OWNER</b>	<b>Phenylbutazone (5.1-9.9 mcg/ml) Flunixin (21-99 ng/ml) Ketoprofen (11-50 ng/ml) Furosemide (&gt;100 ng/ml) and no furosemide when identified as administered</b>	<b>Phenylbutazone (&gt;10.0 mcg/ml) Flunixin (&gt;100 ng/ml) Ketoprofen (&gt;50 ng/ml) AND CLASS C VIOLATIONS</b>
<u>1<sup>st</sup> Offense (365-day period)</u>		<u>Horse must pass Board -approved examination pursuant to Rule 1846 before being eligible to run</u>
<u>2<sup>nd</sup> Offense (365-day period)</u>		<u>Loss of purse. If same horse, placed on veterinarian's list for up to 45 days, must pass Board-approved examination pursuant to Rule 1846 before being eligible to run</u>
<u>3<sup>rd</sup> Offense (365-day period)</u>		<u>Loss of purse. Minimum \$5,000 fine. If same horse, placed on veterinarian's list for 60 days, must pass Board -approved examination pursuant to Rule 1846 before being eligible to run</u>

(f) Penalties for violations due to the presence of a drug substance in an official pre- or post-race sample, whose ARCI drug classification is categorized as warranting a Category D penalty, may result in a written warning to the licensed trainer and owner.

(g) Any drug or metabolite thereof found to be present in an official pre- or post-race sample that is not classified in the ARCI Uniform Classification Guidelines for Foreign Substances shall be classified by the Board's Equine Medical Director and upon the recommendation of the Equine Medical Director, the Executive Director of the Board.

(h) The administration of a drug substance to a race horse must be documented by the treating veterinarian through the filing of a Confidential Veterinarian Report form as described in Rule 1842 of this article.

(i) Any licensed veterinarian, owner or other licensee found to be responsible for the administration of any drug resulting in a positive test may be subject to the same penalties set forth for the licensed trainer and his presence may be required at any and all hearings relative to the case. For purposes of this regulation owner means the individual owner (s) or entity that owns the horse from which the official pre-or post race test sample was taken. Any penalty for a violation will be imposed upon the entity owning the horse.

(1) Any veterinarian found to be involved in the administration of any drug in Penalty ~~Schedule~~ Category A shall be referred to the California Veterinary Medical Board for consideration of further disciplinary action.

(j) Any licensee found to be in violation of state criminal statutes may be referred to the appropriate law enforcement agency.

(k) A licensed trainer who is suspended because of a medication violation is not able to benefit financially during the period for which the individual has been suspended. This includes, but is not limited to, ensuring that horses are not transferred to licensed family members.

Authority: Sections 19461, 19580, 19581 & 19582, Business and Professions Code.



Reference:    Sections 19461, 19580, 19581 & 19582,  
                  Business and Professions Code.

Section 11425.50,  
Government Code.

# California Horse Racing Board (CHRB)

## Penalty Categories

### Listing By Classification

**Class 1:** Stimulant and depressant drugs that have the highest potential to affect performance and that have no generally accepted medical use in the racing horse. Many of these agents are Drug Enforcement Agency (DEA) schedule II substances. These include the following drugs and their metabolites: Opiates, opium derivatives, synthetic opioids and psychoactive drugs, amphetamines and amphetamine-like drugs as well as related drugs, including but not limited to apomorphine, nikethamide, mazindol, pemoline, and pentyleneetetrazol.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Alfentanil	Alfenta	1	A	Metaraminol	Aramine	1	A
Amphetamine		1	A	Methadone	Dolophine	1	A
Anileridine	Leritine	1	A	Methamphetamine	Desoxyn	1	A
Apomorphine		1	A	Methaqualone	Quaalude	1	A
Benzylpiperazine (BZP)		1	A	Methylphenidate	Ritalin	1	A
Carfentanil		1	A	Metopon (methyldihydromorphinone)		1	A
Cocaine		1	B	Morphine		1	B
Dextromoramide	Palfium, Narcolo	1	A	Nikethamide	Coramine	1	A
Diamorphine		1	A	Oxycodone	Percodan	1	A
Endorphins		1	A	Oxymorphone	Numorphan	1	A
Enkephalins		1	A	Pemoline	Cylert	1	A
Ethylmorphine	Dionin	1	A	Pentyleneetetrazol	Metrazol, Nioric	1	A
Etorphine HCl	M99	1	A	Phenazocine	Narphen	1	A
Fentanyl	Sublimaze	1	A	Phencyclidine (PCP)	Sernylan	1	A
Hydromorphone	Dilaudid	1	A	Phendimetrazine	Bontril, etc.	1	A
Hydroxyamphetamine	Paradrine	1	A	Phenmetrazine	Preludin	1	A
Levorphanol	Levo-Dremoran	1	A	Picrotoxin		1	A
Lofentanil		1	A	Piritramide		1	A
Mazindol	Sanorex	1	A	Remifentanyl	Ultiva	1	A
Meperidine	Demerol	1	A	Strychnine		1	B
Mephentermine		1	A	Sufentanil	Sufenta	1	A

## Listing by Classification

**Class 2:** Drugs that have a high potential to affect performance, but less of a potential than Class 1. These drugs are 1) not generally accepted as therapeutic agents in racing horses, or 2) they are therapeutic agents that have a high potential for abuse.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Acecarbromal		2	A	Bentazepam	Tiadipona	2	A
Acetophenazine	Tindal	2	A	Benzactizine	Deprol, Bronchodiletten	2	A
Adinazolam		2	A	Benzoctamine		2	A
Alcuronium	Alloferin	2	A				
Alphaprodine	Nisentil	2	A	Benzphetamine	Didrex	2	A
Alpidem	Anaxyl	2	A	Benztropine	Cogentin	2	A
Alprazolam	Xanax	2	A	Biriperone		2	A
Althesin	Saffan	2	A	Bromazepam	Lexotan, Lectopam	2	A
Amisulpride	Solian	2	A	Bromisovalum	Diffucord, etc.	2	A
Amitriptyline	Elavil, Amitril, Endep	2	A	Bromocriptine	Parlodel	2	A
Amobarbital	Amytal	2	A	Bromperidol	Bromidol	2	A
Amoxapine	Asendin	2	A	Brotizolam	Brotocol	2	A
Amperozide		2	A	Bupivacaine	Marcaine	2	A
Anilopam	Anisine	2	A	Buprenorphine	Temgesic	2	A
Aprobarbital	Alurate	2	A	Buspirone	Buspar	2	A
Azacylonol	Frenque	2	A	Buspropion	Wellbutrin	2	A
Azaperone	Stresnil, Suicalm, Fentaz (with Fentanyl)	2	A	Butabarbital (Secbutobarbitone)	Butacaps, Butasol, etc.	2	A
Barbital	Veronal	2	A	Butalbital (Talbutal)	Fiorinal	2	A
				Butanilicaine	Hostacain	2	A
Bemegride	Megimide, Mikedimide	2	A	Butaperazine	Repoise	2	A
Benperidol		2	A	Butoctamide	Listomin	2	A

## Listing by Classification

**Class 2:** Drugs that have a high potential to affect performance, but less of a potential than Class 1. These drugs are 1) not generally accepted as therapeutic agents in racing horses, or 2) they are therapeutic agents that have a high potential for abuse.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Caffeine		2	B	Clocapramine		2	A
Camazepam	Paxor	2	A	Clomethiazole		2	A
Captodiamine	Covatine	2	A	Clomipramine	Anafranil	2	A
Carbidopa + levodopa	Sinemet	2	A	Clonazepam	Klonopin	2	A
Carbromol	Mifudorm	2	A	Clorazepate	Tranxene	2	A
Carphenazine	Proketazine	2	A	Clothiapine	Entermin	2	A
Carpipramine	Prazinil	2	A	Clotiazepam	Trecalmo, Rize	2	A
Chloralose (Alpha-Chloralose)		2	A	Cloxacolam	Enadel, Sepazon, Tolestan	2	A
Chloral betaine	Beta-Chlor	2	A	Clozapine	Clozaril, Leponex	2	A
Chloral hydrate	Nactec, Oridrate, etc.	2	A	<b>Codeine</b>		2	A B
Chloraldehyde (chloral)		2	A	Conorphone		2	A
Chlordiazepoxide	Librium	2	A	Corticaine	Ultracain	2	A
Chlormezanone	Trancopal	2	A	Crotetamide		2	A
Chloroform		2	A	Cyamemazine	Tercian	2	A
Chlorhexidol		2	A	Cyclobarbitol	Phanodorm	2	A
Chloroprocaine	Nesacaine	2	A	Decamethonium	Syncurine	2	A
Chlorproethazine	Newipleg	2	A	Demoxepam		2	A
Chlorpromazine	Thorazine, Largactil	2	A	Desipramine	Norpromine, Pertofrane	2	A
Chlorprothixene	Taractan	2	A	Dezocine	Dalgan®	2	A
Citalopram	Celex	2	A	Diazepam	Valium	2	B
Clobazam	Urbanyl	2	A	Dichloralphenazone	Febenol, Isocom	2	A

## Listing by Classification

**Class 2:** Drugs that have a high potential to affect performance, but less of a potential than Class 1. These drugs are 1) not generally accepted as therapeutic agents in racing horses, or 2) they are therapeutic agents that have a high potential for abuse.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Diethylpropion	Tepanil, etc.	2	A	Etidocaine	Duranest	2	A
Diethylthiambutene	Themalon	2	A	Etifoxin	Stresam	2	A
Dihydrocodeine	Parcodin	2	A	Etizolam	Depas, Pasaden	2	A
Dilorazepam	Briantum	2	A	Etodroxizine	Indunox	2	A
Diprenorphine	M50/50	2	A	Etomidate		2	A
Dixyrazine	Esucos	2	A	Fenarbamate	Tymium	2	A
Dopamine	Intropin	2	A	Fenfluramine	Pondimin	2	A
Doxapram	Dopram	2	A	Fluanisone	Sedalande	2	A
Doxefazepam	Doxans	2	A	Fludiazepam	Erispam	2	A
Doxepin	Adapin, Sinequan	2	A	Flunitrazepam	Rohypnol, Narcozep, Darkene, Hypnodorm	2	A
Droperidol	Inapsine, Droleptan, Innovar-Vet (with Fentanyl)	2	A	Fluopromazine	Psyquil, Siquil	2	A
Enciprazine		2	A	Fluoresone	Caducid	2	A
Ephedrine		2	A	Fluoxetine	Prozac	2	A
Epinephrine		2	A	Flupenthixol	Depixol, Fluaxol	2	A
Erythropoietin (EPO)	Epogen, Procrit, etc.	2	A	<b>Fluphenazine</b>	Prolixin, Permitil, Anatensol	2	A B
Estazolam	Domnamid, Eurodin, Nuctalon	2	A	Flurazepam	Dalmane	2	A
Ethamivan		2	A	Fluspirilene	Imap, Redeptin	2	A
Ethchlorvynol	Placidyl	2	A	Flutoprazepam	Restas	2	A
Ethinamate	Valmid	2	A	Fluvoxamine	Dumirox, Faverin, etc.	2	A
Ethopropazine	Parsidol	2	A	Gallamine	Flaxedil	2	A
Ethylisobutrazine	Diquel	2	A	Gepirone		2	A

## Listing by Classification

**Class 2:** Drugs that have a high potential to affect performance, but less of a potential than Class 1. These drugs are 1) not generally accepted as therapeutic agents in racing horses, or 2) they are therapeutic agents that have a high potential for abuse.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Glutethimide	Doriden	2	A	Lithium	Lithizine, Duralith, etc.	2	A
Halazepam	Paxipam	2	A	Lobeline		2	A
Haloperidol	Haldol	2	A	Loflazepate, Ethyl	Victan	2	A
Haloxazolam	Somelin	2	A	Loprazolam	Dormonort, Havlane	2	A
Hemoglobin glutamers	Oxyglobin, Hemopure	2	A	Lorazepam	Ativan	2	A
Hexafluorenum	Myalexen	2	A	Lormetazepam	Noctamid	2	A
Hexobarbital	Evipal	2	A	Loxapine	Laxitane	2	A
Homophenazine	Pelvichthol	2	A	Maprotiline	Ludiomil	2	A
Hydrocodone (dihydrocodeinone)	Hycodan	2	A	Mebutamate	Axiten, Dormate, Capla	2	A
Hydroxyzine	Atarax	2	B	Meclofenoxate	Lucidiril, etc.	2	A
Ibomal	Noctal	2	A	Medazepam	Nobrium, etc.	2	A
Imipramine	Imavate, Presamine, Tofranil	2	A	Melperone	Eunerpan	2	A
Isapirone		2	A	Meparfynol	Oblivon	2	A
Isocarboxazid	Marplan	2	A	Mepazine	Pacatal	2	A
Isomethadone		2	A	Mephenoxalone	Control, etc.	2	A
Isoproterenol	Isoprel	2	A	Mephenytoin	Mesantoin	2	A
Ketamine	Ketalar, Ketaset, Vetalar	2	B	Mephobarbital (Methylphenobarbital)	Mebaral	2	A
Ketazolam	Anxon, Laftram, Solatran, Loftran	2	A	Mepivacaine	Carbocaine	2	B
Lenperone	Elanone-V	2	A	<b>Meproamate</b>	Equanil, Miltown	2	<u>A-B</u>
Levomethorphan		2	A	Mesoridazine	Serentil	2	A
Lidocaine	Xylocaine	2	B	Metaclazepam	Talis	2	A

## Listing by Classification

**Class 2:** Drugs that have a high potential to affect performance, but less of a potential than Class 1. These drugs are 1) not generally accepted as therapeutic agents in racing horses, or 2) they are therapeutic agents that have a high potential for abuse.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Metazocine		2	A	Nortriptyline	Aventyl, Pamelor	2	A
Metharbital	Gemonil	2	A	Olanzapine	Zyprexa	2	A
Methohexital	Brevital	2	A	Oxazepam	Serax	2	A
Methotrimeprazine	Levoprome, Neurocil, etc.	2	A	Oxazolam	Serenal	2	A
Methypylon	Noludar	2	A	Oxyperitine	Forit, Integrin	2	A
Metocurine	Metubine	2	A	Pancuronium	Pavulon	2	A
Metomidate	Hypnodil	2	A	Paraldehyde	Paral	2	A
Mexazolam	Melex	2	A	Paroxetine	Paxil, Seroxat	2	A
Midazolam	Versed	2	A	Penfluridol	Cyperon	2	A
Mirtazepine	Remeron	2	A	Pentobarbital	Nembutal	2	A
Modafinil	Provigil	2	A	Perazine	Taxilan	2	A
Molindone	Moban	2	A	Periciazine	Alodept, etc.	2	A
Moperone	Luvatren	2	A	Perlazine	Hypnodin	2	A
Mosaprimine		2	A	Perphenazine	Trilafon	2	A
Nalbuphine	Nubain	2	A	Phenaglycodol	Acalo, Alcamid, etc.	2	A
Nalorphine	Nalline, Lethidrone	2	A	Phenelzine	Nardelzine, Nardil	2	A
Nefazodone	Serzone	2	A	Phenobarbital	Luminal	2	A
Nimetazepam	Erimin	2	A	Phentermine	Iomamin	2	A
Nitrazepam	Mogadon	2	A	Piminodine	Alvodine, Cimadon	2	A
Nordiazepam	Calmday, Nordaz, etc.	2	A	Pimozide	Orap	2	A
Norepinephrine		2	A	Pinazepam	Domar	2	A

## Listing by Classification

**Class 2:** Drugs that have a high potential to affect performance, but less of a potential than Class 1. These drugs are 1) not generally accepted as therapeutic agents in racing horses, or 2) they are therapeutic agents that have a high potential for abuse.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Pipamperone	Dipiperon	2	A	Quetiapine	Seroquel	2	A
Pipequaline		2	A	Racemethorphan		2	A
Piperacetazine	Psymod, Quide	2	A	Racemorphan		2	A
Piperocaine	Metycaine	2	A	Raclopride		2	A
Pipotiazine	Lonseren, Piportil	2	A	Remoxipride	Roxiam	2	A
Pipradrol	Dataril, Gerondyl, etc.	2	A	<b>Reserpine</b>	<b>Serpasil</b>	2	A B
Piquindone		2	A	Rilmazafone		2	A
Prazepam	Verstran, Centrax	2	A	Risperidone		2	A
Prilocaine	Citanest	2	A	Ritanserlin		2	A
Prochlorperazine	Darbazine, Compazine	2	A	Rivastigmine	Exelon	2	A
Propanidid		2	A	Romifidine	Sedivet	2	B
Propiomazine	Largon	2	A	Ropivacaine	Naropin	2	A
<b>Propionylpromazine</b>	Tranvet	2	A B	Secobarbital (Quinalbarbitone)	Seconal	2	A
Propiram		2	A	Selegiline	Eldepryl, Jumex	2	A
Propofol	Diprivan, Disoprivan	2	A	Sertraline	Lustral, Zoloft	2	A
Propoxycaine	Ravocaine	2	A	Snake Venoms		2	A
Prothipendyl	Dominal	2	A	Spiclomazine		2	A
Protriptyline	Concordin, Triptil	2	A	Spiperone		2	A
Proxibarbitol	Axeen, Centralgol	2	A	Succinylcholine	Sucostrin, Quelin, etc.	2	A
Pyrithyldione	Hybersulfan, Sonodor	2	A	Sulfondiethylmethane		2	A
Quazipam	Doral	2	A	Sulfonmethane		2	A



## Listing by Classification

**Class 2:** Drugs that have a high potential to affect performance, but less of a potential than Class 1. These drugs are 1) not generally accepted as therapeutic agents in racing horses, or 2) they are therapeutic agents that have a high potential for abuse.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Sulforidazine	Inofal	2	A	Tribromethanol		2	A
Sulpiride	Aiglonyl, Sulpitil	2	A	Tricaine methanesulfonate	Finquel	2	A
Sultopride	Barnetil	2	A	Trichloroethanol		2	A
Talbutal	Lotusate	2	A	Trichloroethylene	Trilene, Trimar	2	A
Tandospirone		2	A	Triclofos	Triclos	2	A
Temazepam	Restoril	2	A	Trifluomeprazine	Nortran	2	A
Tetrabenazine	Nitoman	2	A	Trifluoperazine	Stelazine	2	A
<b>Tetracaine</b>	<b>Pontocaine</b>	2	A B	Trifluoperidol	Triperidol	2	A
Tetrazepam	Musaril, Myolastin	2	A	Triflupromazine	Vetame, Vesprin	2	A
Thebaine		2	A	Trimipramine	Surmontil	2	A
Thialbarbital	Kemithal	2	A	Tubocurarine (Curare)	Metubin	2	A
Thiamylal	Surital	2	A	Tybamate	Benvil, Nospan, etc.	2	A
Thiethylperazine	Torecan	2	A	Urethane		2	A
Thiopental	Pentothal	2	A	Valnoctamide	Nirvanyl	2	A
Thiopropazate	Dartal	2	A	Venlafaxine	Efflexor	2	A
Thiopropazine	Majeptil	2	A	Veralipride	Accional, Veralipril	2	A
Thioridazine	Mellaril	2	A	Vercuronium	Norcuron	2	A
Thiothixene	Navane	2	A	Viloxazine	Catatrol, Vivalan, etc.	2	A
Tiapride	Italprid, Luxoben, etc.	2	A	Vinbarbital	Delvinol	2	A
Tiletamine	Component of Telazol	2	A	Vinylbital	Optanox, Speda	2	A
Timiperone	Tolopelon	2	A	Yohimbine		2	A
Tofisopam	Grandaxain, Seriel	2	A	Zolazepam		2	A
Topirimate	Topamax	2	A	Zolpidem	Ambien, Stilnox	2	A
Tramadol	Ultram	2	A	Zopiclone	Imovan	2	A
Tranylcypromine	Parnate	2	A	Zotepine	Lodopin	2	A
Trazodone	Desyrel	2	A	Zuclopenthixol	Ciatyl, Cesordinol	2	A
Triazolam	Halcion	2	A				

## Listing by Classification

**Class 3:** Drugs that may or may not have generally accepted medical use in the racing horse, but the pharmacology of which suggests less potential to affect performance than drugs in Class 2.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Acebutolol	Sectral	3	B	Butorphanol	Stadol, Torbugesic	3	B
Acepromazine	Atrovet, Notensil, PromAce®	3	B	Candesartan	Atacand	3	B
Albuterol (Salbutamol)	Proventil, Ventolin	3	B	Captopril	Capoten	3	B
Alprenolol		3	A	Carazolol	Carbacel, Conducton	3	A
Ambenonium	Mytelase, Myeuran	3	B	Carbachol	Lentin, Doryl	3	B
Aminophylline	Aminophyllin, etc.	3	B	Carbamezapine	Tegretol	3	B
Amlodipine	Norvasc	3	A	Carbinoxamine	Clistin	3	B
Amyl nitrite		3	A	Carteolol	Cartrol	3	B
Arecoline		3	A	Carvedilol	Coreg	3	B
Atenolol	Tenormin	3	B	Cimeterol		3	A
Atropine		3	B	Clenbuterol	Ventipulmin	3	B
Betaxolol	Kerlone	3	B	Clonidine	Catapres	3	B
Bethanidine	Esbatal	3	A	Cyclandelate	Cyclospasmol	3	A
Biperiden	Akineton	3	A	Cycrimine	Pagitane	3	B
Bisoprolol	Zebeta, Bisobloc, etc.	3	B	Detomidine	Dormosedan	3	B
<b>Bitolterol</b>	<b>Effectin</b>	3	A B	Dextropropoxyphene	Darvon	3	B
Bretylium	Bretylol	3	B	Diazoxide	Proglycem	3	B
Brimonidine	Alphagan	3	B	Dimeflin		3	A
Bromfenac	Duract	3	A	Diphenhydramine	Benadryl	3	B
Bromodiphenhydramine		3	B	Dipyridamole	Persantine	3	B
Bumetanide	Bumex	3	B	Dobutamine	Dobutrex	3	B

## Listing by Classification

**Class 3:** Drugs that may or may not have generally accepted medical use in the racing horse, but the pharmacology of which suggests less potential to affect performance than drugs in Class 2.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Doxylamine	Decapryn	3	B	Hydralazine	Apresoline	3	B
Dyphylline		3	B	Iprratropium		3	B
Edrophonium	Tensilon	3	B	Irbesarten	Avapro	3	A
Enalapril (metabolite enalaprilat)	Vasotec	3	B	Isoetharine	Bronkosol	3	B
Erthrityl tetranitrate	Cardilate	3	A	Isosorbide dinitrate	Isordil	3	B
Esmolol	Brevibloc	3	B	<b>Ketorolac</b>	<b>Toradol</b>	3	A B
Etamiphylline		3	B	Labetalol	Normodyne	3	B
Ethacrynic acid	Edecrin	3	B	Losartan	Hyzaar	3	B
Ethylnorepinephrine	Bronkephrine	3	A	Mabuterol		3	A
Fenoldopam	Corlopam	3	B	Mecamylamine	Inversine	3	B
Fenoterol	Berotec	3	B	Medetomidine	Domitor	3	B
Fenspiride	Respiride, Respan, etc	3	B	Metaproterenol	Alupent, Metaprel	3	B
Flupirtine	Katadolone	3	A	Methacholine		3	A
Formoterol	Altram	3	B	Methixene	Trest	3	A
<b>Gabapentin</b>	<b>Neurontin</b>	3	A B	Methoxamine	Vasoxyl	3	A
Glycopyrrolate	Robinul	3	B	Methoxyphenamine	Orthoxide	3	A
Guanadrel	Hylarel	3	A	Methylatropine		3	B
Guanethidine	Ismelin	3	A	Methyldopa	Aldomet	3	A
Guanabenz	Wyntensin	3	B	Metolazone		3	B
Heptaminol	Corofundol	3	B	Metoprolol	Lopressor	3	B
Homatropine	Homapin	3	B	Mibefradil	Posicor	3	B

## Listing by Classification

**Class 3:** Drugs that may or may not have generally accepted medical use in the racing horse, but the pharmacology of which suggests less potential to affect performance than drugs in Class 2.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Midodrine	Pro-Amiline	3	B	Pindolol	Viskin	3	B
Minoxidil	Loniten	3	B	Pirbuterol	Maxair	3	B
Moexipril (metabolite moexiprilat)	Uniretic	3	B	Piretanide	Arelix, Tauliz	3	B
Muscarine		3	A	Prazosin	Minipress	3	B
Nadol	Corgard	3	B	Primidone	Mysoline	3	B
Naratriptan	Amerge	3	B	Procaine		3	B
Nefopam		3	A	Procaterol	Pro Air	3	A
Neostigmine	Prostigmine	3	B	Procyclidine	Kemadrin	3	B
Nitroglycerin		3	B	Promazine	Sparine	3	B
Oxprenolol	Trasicor	3	B	Promethazine	Phenergan	3	B
Papaverine	Pavagen, etc.	3	A	Propentophylline	Karsivan	3	B
Paramethadione	Paradione	3	A	Propranolol	Inderal	3	B
Pargyline	Eutonyl	3	A	Protokylol	Ventaire	3	A
Penbutolol	Levatol	3	B	Pseudoephedrine	Cenafed, Novafed	3	B
Pentaerythritol tetranitrate	Duotrate	3	A	Pyridostigmine	Mestinon, Regonol	3	B
Pentazocine	Talwin	3	B	Pyrilamine	Neoantergan, Equihist	3	B
Phenoxybenzamine	Dibenzylamine	3	B	Ractopamine	Raylean	3	B
Phentolamine	Regitine	3	B	Ritodrine	Yutopar	3	B
Phenylephrine	Isophrin, Neo-Synephrine	3	B	Rizatriptan	Maxalt	3	B
Phenylpropanolamine	Propadrine	3	B	Salmeterol		3	B
Physostigmine	Eserine	3	A	Scopolamine (Hyoscine)	Triptone	3	B

## Listing by Classification

**Class 3:** Drugs that may or may not have generally accepted medical use in the racing horse, but the pharmacology of which suggests less potential to affect performance than drugs in Class 2.

Drug	Trade Name	RCI Class	Penalty Class
Sibutramine	Meridia	3	B
Sotalol	Betapace, Sotacor	3	B
Sumatriptan	Imitrex	3	B
Telmisartan	Micardis	3	B
Terbutaline	Brethine, Bricanyl	3	B
Testolactone	Teslac	3	B
Theophylline	Aqualphyllin, etc.	3	B
Timolol	Blocadrin	3	B
Tolazoline	Priscoline	3	B
<b>Torsemide (Torasemide)</b>	<b>Demadex</b>	3	<b>A B</b>
Trandolapril (and metabolite, Trandolaprilat)	Tarka	3	B
Trihexylphenidyl	Artane	3	A
Trimethadione	Tridione	3	B
Trimethaphan	Arfonad	3	A
Tripelennamine	PBZ	3	B
Valsartan	Diovan	3	B
Xylazine	Rompun, Bay Va 1470	3	B
Zolmitriptan	Zomig	3	B
Zonisamide	Zonegran	3	B

## Listing by Classification

**Class 4:** This class includes therapeutic medications that would be expected to have less potential to affect performance than those in Class 3.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Acetaminophen (Paracetamol)	Tylenol, Tempra, etc.	4	C	Baclofen	Lioresal	4	B
Acetanilid		4	B	Beclomethasone	Propaderm	4	C
Acetazolamide	Diamox, Vetamox	4	B	Benazepril	Lotrel	4	B
Acetophenetidin (Phenacetin)		4	B	Bendroflumethiazide	Naturetin	4	B
Acetylsalicylic acid (Aspirin)		4	C	Benoxaprofen		4	B
Alclofenac		4	B	Benoxinate	Dorsacaine	4	C
Aclomethasone	Aclovate	4	C	<b>Benzocaine</b>		4	<u>B C</u>
Aldosterone	Aldocortin, Electro cortin	4	B	Benzthiazide		4	B
Ambroxol	Ambril, etc.	4	B	Bepidil	Bepadin	4	B
Amcinonide	Cyclocort	4	C	Betamethasone	Betasone, etc.	4	C
Aminocaproic acid	Amicar, Caprocid	4	C	Bethanechol	Urecholine, Duvoid	4	C
Aminodarone		4	B	Boldenone	Equipoise	4	C
2-Aminoheptaine	Tuamine	4	B	<b>Bromhexine</b>	<b>Oletor, etc.</b>	4	<u>B C</u>
Aminopyrine		4	B	Brompheniramine	Dimetane, Disomer	4	B
Amisometradine	Rolictron	4	B	Budesonide	Pulmacort, Rhinocort	4	C
Amlopidine	Norvasc, Ammivin	4	B	Butacaine	Butyn	4	B
Amrinone		4	B	Butamben (butyl aminobenzoate)	Butesin	4	C
Anisotropine	Valpin	4	B	Butoxycaine	Stadacain	4	B
Antipyrine		4	B	Calusterone	Methosorb	4	C
Apazone (Azapropazone)	Rheumox	4	B	Camphor		4	C
Aprindine		4	B	<b>Carisoprodol</b>	Relo, Soma	<u>4 2</u>	B

## Listing by Classification

**Class 4:** This class includes therapeutic medications that would be expected to have less potential to affect performance than those in Class 3.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
<b>Celecoxib</b>	<b>Celebrex</b>	4	<u>B C</u>	Cyproheptadine	Periactin	4	C
Chlormerodrin	Neohydrin	4	B	Danazol	Danocrine	4	C
Chlorophenesin	Maolate	4	C	Dantrolene	Dantrium	4	C
Chloroquine	Avloclor	4	C	Dembroxol (Dembrexine)	Sputolysin	4	C
Chlorothiazide	Diuril	4	B	Deoxycorticosterone	Percortin, DOCA, Descotone, Dorcostrin	4	C
Chlorpheniramine	Chlortriemton, etc.	4	B	Desonite	Des Owen	4	C
Chlorthalidone	Hydroton	4	B	Desoximetasone	Topicort	4	C
Chlorzoxazone	Paraflex	4	B	Dexamethasone	Azium, etc.	4	C
Cinchocaine	Nupercaine	4	C	<b>Dextromethorphan</b>		4	<u>B C</u>
Clibucaine	Batrax	4	C	Dibucaine	Nupercainal, Cinchocaine	4	C
Clidinium	Quarezan, Clindex, etc.	4	B	Dichlorphenamide	Daramide	4	C
Clobetasol	Temovate	4	C	Diclofenac	Voltaren, Voltarol	4	C
Clocortolone	Cloderm	4	C	Diflorasone	Florone, Maxiflor	4	C
Clofenamide		4	B	Diflucortolone	Flu-Cortinest, etc.	4	C
Clormecaine	Placacid	4	C	Diflunisal		4	B
Colchicine		4	B	Digitoxin	Crystodigin	4	B
Cortisone	Cortone, etc.	4	C	Digoxin	Lanoxin	4	B
Cyclizine	Merazine	4	B	<b>Dihydroergotamine</b>		4	<u>B C</u>
Cyclobenzaprine	Flexeril	4	B	Diltiazem	Cardizem	4	B
Cyclomethylcaine	Surfacaine	4	C	Dimethisoquin	Quotane	4	B
Cyclothiazide	Anhydron, Renazide	4	B	Diphenoxylate	Difenoxin, Lomotil	4	B

## Listing by Classification

**Class 4:** This class includes therapeutic medications that would be expected to have less potential to affect performance than those in Class 3.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Dipyrone	Novin, Methampyrone	4	C	Floctafenine	Idalon, Idarac	4	B
Disopyramide	Norpace	4	B	Flucinolone	Synalar, etc.	4	C
Dromostanolone	Drolban	4	C	Fludrocortisone	Alforone, etc.	4	C
Dyclonine	Dyclone	4	C	<b>Flufenamic acid</b>		4	B C
Eltenac		4	C	Flumethasone	Flucort, etc.	4	C
Ergonovine	Ergotrate	4	C	Flumethiazide	Ademol	4	B
<b>Ergotamine</b>	<b>Gynergen, Cafergot, etc.</b>	4	B C	Flunarizine	Sibelium	4	B
Etanercept	Enbrel	4	B	Flunisolide	Bronilide, etc.	4	C
Ethoheptazine	Zactane	4	B	Flunixin	Banamine	4	C
Ethosuximide	Zarontin	4	B	Fluocinolone	Synalar	4	C
Ethotoin	Peganone	4	B	Fluocinonide	Licon, Lidex	4	C
Ethoxzolamide	Cardrase, Ethamide	4	C	Fluoroprednisolone	Predef-2X	4	C
Ethylaminobenzoate (Benzocaine)	Semets, etc.	4	C	Fluoxymesterone	Halotestin	4	C
Ethylestrenol	Maxibolin, Organon	4	C	Fluprednisolone	Alphadrol	4	C
Etodolac	Lodine	4	C	Flurandrenolide	Cordran	4	C
Felodipine	Plendil	4	B	Flurbiprofen	Froben	4	B
Fenbufen	Cincopal	4	B	Fluticasone	Flixonase, Flutide	4	C
Fenclozic acid	Myalex	4	B	Guaifenesin (glycerol guaiacolate)	Gecolate	4	C
<b>Fenoprofen</b>	<b>Nalfon</b>	4	B C	Halcinonide	Halog	4	C
Fexofenadine	Allegra	4	C	Halobetasol	Ultravate	4	C
Flecainide	Idalon	4	B	Hexocyclium	Tral	4	B



## Listing by Classification

**Class 4:** This class includes therapeutic medications that would be expected to have less potential to affect performance than those in Class 3.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Hexylcaine	Cyclaine	4	C	<b>Meloxicam</b>	<b>Mobic</b>	4	<u>B C</u>
<b>Hydrochlorthiazide</b>	<b>Hydrodiuril</b>	4	<u>B C</u>	Mepenzolate	Cantil	4	B
Hydrocortisone (Cortisol)	Cortef, etc.	4	C	Mephenesin	Tolserol	4	B
Hydroflumethiazide	Saluron	4	B	Meralluride	Mercuhydrin	4	B
Ibuprofen	Motrin, Advil, Nurpin, etc.	4	C	Merbaphen	Novasural	4	B
<b>Indomethacin</b>	<b>Indocin</b>	4	<u>B C</u>	Mercaptomerin	Thiomerin	4	B
Infliximab	Remicade	4	B	Mercumalilin	Cumertilin	4	B
Isoflupredone	Predef	4	C	Mersalyl	Salyrgan	4	B
Isometheptene	Octin, Octon	4	B	Metaxalone	Skelaxin	4	B
Isopropamide	Darbid	4	B	Methandriol	Probolix	4	C
Isoxicam	Maxicam	4	B	Methandrosthenolone	Dianabol	4	C
Isoxsuprine	Vasodilan	4	C	Methantheline	Banthine	4	B
Isradipine	DynaCirc	4	B	Methapyrilene	Histadyl, etc.	4	B
Ketoprofen	Orudis	4	C	Methazolamide	Naptazane	4	C
Letosteine	Viscotiol, Visiotol	4	C	Methdilazine	Tacaryl	4	B
Loperamide	Imodium	4	B	<b>Methocarbamol</b>	<b>Robaxin</b>	4	<u>B C</u>
Loratidine	Claritin	4	B	Methotrexate	Folex, Nexate, etc.	4	B
Mecizine	Antivert, Bonine	4	B	Methscopolamine	Pamine	4	B
Meclofenamic acid	Arquel	4	C	Methsuximide	Celontin	4	B
Medrysone	Medriusar, etc.	4	C	Methylchlorthiazide	Enduron	4	B
<b>Mefenamic acid</b>	<b>Ponstel</b>	4	<u>B-C</u>	Methandrosthenolone	Dianabol	4	C

## Listing by Classification

**Class 4:** This class includes therapeutic medications that would be expected to have less potential to affect performance than those in Class 3.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Methylergonovine	Methergine	4	C	Nortestosterone		4	C
Methylprednisolone	Medrol	4	C	Orphenadrine	Norflex	4	B
Methyltestosterone	Metandren	4	C	Oxandrolone	Anavar	4	C
Methysergide	Sansert	4	B	Oxaprozin	Daypro, Deflam	4	C
Metiamide		4	B	Oxymetazoline	Afrin	4	B
Metoclopramide	Reglan	4	C	Oxymetholone	Adroyd, Anadrol	4	C
Mexilitine	Mexilil	4	B	Oxyphenbutazone	Tandearil	4	C
Milrinone		4	B	Oxyphencyclimine	Daricon	4	B
Mometasone	Elocon	4	C	Oxyphenonium	Antrenyl	4	B
Montelukast	Singulair	4	C	Paramethasone	Haldron	4	C
Nabumetone	Anthraxan, Relafen, Reliflex	4	B	Pentoxyfylline	Trental, Vazofirin	4	C
Naepaine	Amylsine	4	C	Phenacemide	Phenurone	4	B
Nandrolone	Nandrolin, Laurabolin, Durabolin	4	C	Phensuximide	Milontin	4	B
Naphazoline	Privine	4	B	Phenytoin	Dilantin	4	B
Naproxen	Equiproxen, Naprosyn	4	C	<b>Piroxicam</b>	<b>Feldene</b>	4	<b>B C</b>
Nicardipine	Cardine	4	B	Polythiazide	Renese	4	B
Nifedipine	Procardia	4	B	Pramoxine	Tronothaine	4	C
Niflumic acid	Nifluril	4	B	Prednisolone	Delta-Cortef, etc.	4	C
Nimesulide		4	B	Prednisone	Meticorten, etc.	4	C
Nimodipine	Nemotop	4	B	Probenecid		4	C
Norethandrone		4	C	Procainamide	Pronestyl	4	B

## Listing by Classification

**Class 4:** This class includes therapeutic medications that would be expected to have less potential to affect performance than those in Class 3.

Drug	Trade Name	RCI Class	Penalty Class	Drug	Trade Name	RCI Class	Penalty Class
Propafenone	Rythmol	4	B	Tocainide	Tonocard	4	B
Propantheline	Pro-Banthine	4	B	Tolmetin	Tolectin	4	B
Proparacaine	Ophthaine	4	C	Tranexamic acid		4	C
Propylhexedrine	Benzedrex	4	B	Trenbolone	Finoplix	4	C
Quinidine	Quinidex, Quinocardine	4	B	Triamcinolone	Vetalog, etc.	4	C
<b>Rofecoxib</b>	<b>Vioxx</b>	4	B-C	Triamterene	Dyrenium	4	B
Salicylamide		4	C	Trichlormethiazide	Naqua, Naquasone	4	C
Salicylate		4	C	Tolmetin	Tolectin	4	B
Spironolactone	Aldactone	4	B				
Stanozolol	Winstrol-V	4	C	Tridihexethyl	Pathilon	4	B
Sulfasalazine	Azulfidine, Azaline	4	C	Trimeprazine	Temaril	4	B
Sulindac	Clinoril	4	B	Tripolidine	Actidil	4	B
Tenoxicam	Alganex, etc.	4	B	Tuaminoheptane	Tuamine	4	C
Terfenadine	Seldane, Triludan	4	B	<b>Vedaprofen</b>		4	B-C
Testosterone		4	C	Verapamil	Calan, Isoptin	4	B
Tetrahydrozoline	Tyzine	4	B	Xylometazoline	Otrivin	4	B
<b>Theobromine</b>		4	B-C	Zafirlukast	Accolate	4	C
Thiosalicylate		4	C	Zeranol	Ralgro	4	C
Thiphenamil	Trocinate	4	B	Zileuton	Zyflo	4	C
Tiaprofenic acid	Surgam	4	B	Zomepirac	Zomax	4	B

## Listing by Classification

**Class 5:** This class includes those therapeutic medications for which concentration limits have been established by the racing jurisdictions as well as certain miscellaneous agents such as DMSO and other medications as determined by the regulatory bodies.

Drug	Trade Name	RCI Class	Penalty Class
Anisindione		5	D
Cilostazol	Pletal	5	D
Cimetidine	Tagamet	5	D
Cromolyn	Intel	5	D
Dicumarol	Dicumarol	5	D
Dimethylsulfoxide (DMSO)	Domoso	5	D
Dimethylsulphone (MSM)		5	D
Diphenadione		5	D
Famotidine	Gaster, etc.	5	D
Lansoprazole		5	D
Misoprostel	Cytotec	5	D
Nedocromil	Tilade	5	D
Nizatidine	Axid	5	D
Omeprazole	Prilosec, Losec	5	D
Phenindione	Hedulin	5	D
Phenprocoumon	Liquamar	5	D
Pirenzapine	Gastrozepin	5	D
Ranitidine	Zantac	5	D
Warfarin	Coumadin, Coufarin	5	D

**RMTC PENALTIES WITH CHRB SUGGESTED CHANGES****CLASS 2****Barbiturates**

Remove.

They are a class of drugs, individual drugs within this class are listed separately.

**Benzodiazepines**

Remove.

They are a class of drugs, individual drugs within this class are listed separately.

**Codeine**

Change to penalty B.

Morphine can be a metabolite of codeine. Morphine is a penalty B drug.

**Fluphenazine**

Change to penalty B.

Used as a therapeutic medication by some California practitioners and has been listed as a "therapeutically" necessary medication by AAEP.

**Meprobamate**

Change to penalty B.

Can be a metabolite of carisoprodol and carisoprodol is a penalty B drug.

**Propionylpromazine**

Change to penalty B.

Same type of drug as acepromazine and promazine, which are penalty B drugs.

**Reserpine**

Change to penalty B.

Used as a therapeutic drug by some California practitioners and has been listed as a "therapeutically necessary medication by AAEP.

**Tetracaine**

Change to penalty B.

Other local anesthetics, such as lidocaine and mepivacaine, are penalty B drugs.

**CLASS 3****Bitolterol**

Change to penalty B.

Other bronchodilators, such as albuterol and clenbuterol, are penalty B drugs.

Gabopentin

Change to penalty B.

Latest RCI Drug Classification Guidelines have as class 4. Therefore a penalty B is more appropriate.

Ketorolac

Change to penalty B.

A NSAID that has considerable analgesic properties.

Toresimide

Change to penalty B.

Similar to furosemide which is a penalty B drug.

CLASS 4

Benzocaine

Change to penalty C.

This is the same drug as ethylaminobenzoate, which is a penalty C drug.

Bromhexine

Change to penalty C.

A mucolytic drug similar to dembrexine which is a penalty C drug.

Carisoprodol

No penalty change recommended.

However, the latest RCI Drug Classification guidelines list as a class 2 drug.

Celecoxib

Change to penalty C.

Most NSAIDs are penalty C drugs.

Dextromethorphan

Change to penalty C.

Primarily used as a cough suppressant, and is an ingredient in several OTC cough meds.

Dihydroergotamine and ergotamine

Change to penalty C.

Similar to ergonovine, which is a penalty C.

Fenoprofen

Change to penalty C.

Most NSAIDs are penalty C.

Flufenamic acid

Change to penalty C.

Most NSAIDs are penalty C.

Hydrochlorthiazide

Change to penalty C.

Diuretic, similar to tricholrmethiazide, which is a penalty C drug.

Indomethacin

Change to penalty C.

Most NSAIDs are penalty C drugs.

Mefenamic acid

Change to penalty C.

Most NSAIDs are penalty C drugs.

Meloxicam

Change to penalty C.

Most NSAIDs are penalty C drugs.

Methocarbamol

Change to penalty C.

Commonly used therapeutic muscle relaxant which has a fairly long elimination time.

Piroxicam

Change to penalty C.

Most NSAIDs are penalty C drugs.

Rofecoxib

Change to penalty C.

Most NSAIDs are penalty C drugs.

Theobromine

Change to penalty C.

Same class of drugs as caffeine and theophylline, but has much lower potency and little effect on CNS.

Transexamic acid

Leave as penalty C

This drug is listed twice. Remove entry with penalty D.

Vedaprofen

Change to penalty C.

Most NSAIDs are penalty C drugs.

## CLASS 5

Polyethylene glycol

Remove from list.

This is not a drug, but is used in some pharmaceutical preparations and can interfere with TLC screening. California no longer uses TLC screening.



CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 15. VETERINARY PRACTICES  
PROPOSED AMENDMENT  
OF  
RULE 1843.2  
CLASSIFICATION OF DRUG SUBSTANCES

Regular Board Meeting  
January 19, 2006

1843.2. Classification of Drug Substances.

The stewards, when adjudicating a hearing for the finding of a drug substance(s) in a test sample taken from a horse participating in a race, shall consider the classification level of the substance as established in the Association of Racing Commissioners International (ARCI) Uniform Classification Guidelines for Foreign Substances (4/05). ~~below:~~

~~CLASS 1: Drug substances not approved by the Food and Drug Administration (FDA) for use or sale in the United States, and drug substances both medicinal and non-medicinal which have high abuse potential. These drug substances include, but are not limited to, stimulant and depressant drug substances, including opiates, opium derivatives, synthetic opioids, psychoactive drugs, amphetamines, and Drug Enforcement Agency Schedule I and Schedule II drugs, listed in Title 21 Code of Federal Regulations, Section 1308.11 and Section 1308.12, respectively, which is hereby incorporated by reference.~~

~~CLASS 2: Drug substances which are pharmacologically active in altering consciousness or the psychic state, or therapeutic drug substances with potential for abuse. These drug substances include, but are not limited to:~~

- ~~a. Opiate partial agonists, or agonist-antagonists.~~
- ~~b. Non-opiate psychotropic drugs.~~

~~e. Drug substances which have as their major pharmacological effect stimulation of the central nervous system.~~

~~d. Drug substances which have as their major pharmacological effect depression of the central nervous system.~~

~~e. Antidepressant and antipsychotic drugs.~~

~~f. Neuromuscular blocking agents.~~

~~g. Parenteral local anesthetics, excluding procaine.~~

~~h. Snake venoms and other biologic substances that may be used as nerve blocking agents.~~

~~CLASS 3: Drug substances whose major pharmacological effects are on the cardiovascular, respiratory and/or autonomic nervous systems. These drug substances include but are not limited to:~~

~~a. Bronchodilators.~~

~~b. Procaine.~~

~~c. Antihistamines that exert an excitatory or depressant action on the central nervous system.~~

~~d. Primary vasodilators or hypotensive agents.~~

~~e. Cardiac glycosides and antiarrhythmics:~~

~~1. Cardiac glycosides.~~

~~2. Antiarrhythmic agents (exclusive of lidocaine, bretylium and propranolol).~~

~~f. Topical Anesthetics agents not available in injectable formulations.~~

~~CLASS 4: Drug substances which are approved by the FDA for human use, or used under extra-label guidelines as defined by the FDA. These drug substances include, but are not~~

~~limited to, human-labeled non-steroidal anti-inflammatory agents, antihistamines, and some analgesics.~~

- ~~a. Non-opiate drug substances which have a mild central analgesic effect.~~
- ~~b. Drug substances pharmacologically active on the autonomic nervous system, not affecting the central nervous system, cardiovascular, or respiratory systems.~~
  - ~~1. Drug substances used solely as topical vasoconstrictors or decongestants.~~
  - ~~2. Drug substances used as gastrointestinal antispasmodics.~~
  - ~~3. High ceiling and loop diuretics other than those authorized by the CHRB and carbonic anhydrase inhibitors.~~

~~4. Drug substances which have a major pharmacological effect on the central nervous system vasculature or smooth muscle of visceral organs.~~

~~c. Antihistamines whose pharmacological action is mediated by H1-receptors.~~

~~CLASS 5: Drug substances which have accepted therapeutic use in the horse. These drug substances include, but are not limited to, non-steroidal anti-inflammatory agents approved for equine veterinary use by the FDA, but not authorized by the CHRB.~~

- ~~a. Expectorants with minimal other pharmacologic action.~~
- ~~b. Non-steroidal anti-inflammatory drug substances (NSAIDs) approved for veterinary use in the United States, but not authorized by the CHRB.~~

~~CLASS 6: Drug substances which are therapeutically used in the maintenance of the health care of the horse. These drug substances include, but are not limited to, skeletal muscle relaxants, mucolytic agents, glucocorticoids, mineralocorticoids, osmotic and thiazide diuretics, anabolic and androgenic steroids, and specific peripheral vasodilators appearing in official test~~

~~samples, as well as authorized medication exceeding the CHRB's authorized levels as established in Rule 1844(e)(1-4) of this division.~~

~~CLASS 7: Drug substances which are routinely used therapeutically to maintain the health of the horse. These drug substances include, but are not limited to, anthelmintic agents other than phenothiazine derivatives, oral adsorbent antidiarrheal agents, antihistamines whose pharmacological action is mediated by H2 receptors, antimicrobial such as sulfonamides, tetracyclines, and anti-fungal agents.~~

~~Authority: Sections 19580, 19581 and 19582,  
Business and Professions Code.~~

~~Reference: Sections 19580, 19581 and 19582,  
Business and Professions Code.~~

STAFF ANALYSIS  
PROPOSED ADDITION OF  
RULE 1920.1 HEIGHTENED SURVEILLANCE

Regular Board Meeting  
January 19, 2006

**BACKGROUND**

Business and Professions (B&P) Code Section 19420 provides that jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board (Board). B&P Code Section 19440 states The Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of Horse Racing Law. Responsibilities of the Board shall include, but not be limited to, adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19580 provides that the Board shall adopt regulations to establish policies, guidelines, and penalties relating to equine medication to preserve and enhance the integrity of horse racing in California. The ad hoc medication committee (committee) has concluded that abnormal changes in some horses' winning patterns, unusually high winning percentages, and routine drug test results near a prohibited level, were resulting in at least the perception that some horses are receiving medications or other treatments that are prohibited by California Horse Racing Law. However, such horses often do not test positive in post-race blood or urine tests. The committee felt the unusual patterns were causing the perception of an uneven playing field, and were contributing to the decline in attendance and wagering on horse racing. To address the perception of unfairness and halt the decline in on-track attendance and wagering on horse races the committee proposed to add Rule 1920.1, Heightened Surveillance. In October 2005 the proposed regulation was submitted to the Office of Administrative Law (OAL) as an emergency regulation. The OAL disapproved the emergency regulation because the finding of emergency did not meet the emergency standard of Government Code Section 11349.6, as it failed to demonstrate the regulation was necessary for the immediate preservation of the public peace, health and safety or general welfare. In addition, subsection 1920.1(a) was unclear regarding how an affected person would know that his actions would result in heightened surveillance.

**ANALYSIS**

Rule 1920.1 provides that any horse, stable or trainer that is on the premises, as defined by Rule 1420(q), may be subject to heightened surveillance during the period of ten days immediately preceding and during any race meeting if such horse, stable or trainer has had certain medication violations within a specified time. The text of Rule 1920.1 has been amended to address the concerns expressed by OAL in its disapproval letter. Subsections 1920.1(a)(1) through (a)(5) were added to specify the criteria the Board may use to place a

licensee, his stable or horse(s) under heightened surveillance. Heightened surveillance may be initiated if there is a win ratio above 25 percent within at least 20 consecutive starts; if over 60 percent of at least 20 consecutive starts placed first, second or third during a current or previous meeting; or if there is a multiple history of dramatic improvement in the performance of horses from the claiming ranks. Heightened surveillance may include, but is not limited to: observation by Board staff, stewards or persons affiliated with or retained by the racing association; requiring any horse to be stabled in a stall that is better situated for monitoring by enforcement staff; requiring any horse to be stabled in a stall that has within it monitoring device(s), including, but not limited to, audio, video, or any other means determined by the Board, and any or all persons or devices utilized for the purposes may use recording devices in connection with such surveillance; having the horse stabled in a stall which has on-premises security; or requiring a horse to be placed in a detention area designated by the Board. An owner, trainer, or any person having control of a horse, who refuses to permit the horse to be placed under heightened surveillance may be barred from the premises, fined, suspended, or otherwise disciplined by the Board.

#### RECOMMENDATION

Staff recommends the Board direct staff to initiate a 45-day public comment period.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 17. FIRE PREVENTION AND SECURITY  
PROPOSED ADDITION OF  
RULE 1920.1. HEIGHTENED SURVEILLANCE

Regular Board Meeting  
January 19, 2006

1920.1. Heightened Surveillance.

(a) Any horse, stable or trainer that is on the premises, as defined by Rule 1420(q), may be subject to heightened surveillance during the period of ten days immediately preceding, and during, any racing meeting if such horse, stable or trainer:

(1) received in excess of three medication violations, warranting a category C or D penalty within the preceding 36 months.

(2) received a class I, II or III medication violation warranting a category A or B penalty within the preceding 12 months

(3) has a win ratio above 25 percent within at least 20 consecutive starts during a current, or just previous race meeting,

(4) over 60 percent of at least 20 consecutive starts placed first, second or third during a current, or just previous race meeting,

(5) a history of dramatically improving the performance of horses from the claiming ranks – on multiple occasions

(b) Heightened surveillance may include, but need not be limited to: observation by Board staff, stewards, or persons affiliated with or retained by the racing association; requiring any horse to be stabled in a stall that, in the sole discretion of the Board, is better situated for monitoring by enforcement staff; requiring any horse to be stabled in a stall that has within it monitoring device(s), including, but not limited to: audio, video, or any other mean determined by the Board, and any or all persons or devices utilized for these purposes may utilize

recording devices in connection with such surveillance; having the horse stabled in a stall which has on-premises security.

(c) Any owner, or trainer, or other person responsible for a horse who refuses to subject any horse under his ownership or care to such heightened surveillance may be barred from the premises, fined, suspended, or otherwise disciplined as the Board deems appropriate.

(d) Nothing in this regulation may be construed to preclude racing associations and organizations representing owners and trainers from entering into separate agreements relative to the allocation of any expenses incurred by racing associations in connection with this regulation.

Authority: Sections 19420 and 19440,  
Business and Professions Code.

Reference: Sections 19460 and 19580,  
Business and Professions Code.



STAFF ANALYSIS  
PROPOSED AMENDMENT OF  
RULE 1472. RAIL CONSTRUCTION AND TRACK SPECIFICATIONS

Regular Board Meeting  
January 19, 2006

**BACKGROUND**

Business and Profession (B&P) Code Section 19420 provides that jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the Board. B&P Code Section 19440 states the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19481 requires the Board to establish safety standards governing the uniformity and content of the track base and racing surface, inner and outer rails, gates and gaps, turf, and access and egress to the track. At the December 2005 Regular Board Meeting the chairman of the track safety committee of the California Thoroughbred Trainers (CTT) spoke about track safety, the need to improve California's organic racetrack surfaces, and find a long-term solution. In addition, a number of trainers spoke about the track surface issue, and how it affected their barns and ability to attract owners to California. Industry representatives also discussed the installation of Polytrack racing surfaces in California. Polytrack surfaces are currently used in Europe and parts of the United States, and are viewed by many in the industry as a promising long-term solution to problematic organic racetrack surfaces. To accommodate the installation of Polytrack, or other synthetic surfaces, Board Rule 1472, Rail Construction and Track Specifications, must be amended. The rule currently sets forth requirements for the percent of cross slope in straight-aways and turns of racetracks. However, Polytracks have different requirements, which must be addressed.

**ANALYSIS**

The proposed amendment of Rule 1472 provides under Subsection (l)(3) that a polymer or wax-coated sand track surface shall conform with the minimum recommendations of the manufacturer regarding the percent of cross slope in the straight-aways and turn, and in the requisite drainage installations. This will allow racing associations to install the Polytrack brand surface, or other synthetic racetrack surfaces that may not have the same requirements as organic track surfaces. Rule 1472 currently establishes standards for the racetrack, including a minimum of 2 percent cross slope in the straight-aways, and a 4 percent cross slope in the center of the turns. The Polytrack racing surface requires no slope in the straight-aways and a 2.5 percent cross slope in the turns. Other changes to the text of the regulation are grammatical, or delete obsolete language.

## **RECOMMENDATION**

**Staff recommends the Board direct staff to initiate a 45-day public comment period.**

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 3.5. TRACK SAFETY STANDARDS  
PROPOSED AMENDMENT OF  
RULE 1472. RAIL CONSTRUCTION AND TRACK SPECIFICATIONS

Regular Board Meeting  
January 19, 2006

1472. Rail Construction and Track Specifications.

(a) All racing surfaces, including turf courses, shall have an inner rail, and ~~shall have an outer rail or shadow fence designed to meet the same impact standards as a permanent rail.~~

(1) Racing surfaces used for standardbred racing shall have an inner rail or pylons, and ~~shall have an outer rail or shadow fence designed to meet the same impact standards as a permanent rail.~~

(2) If pylons are used, no obstacle shall be placed within an area extending 25 feet from the inner boundary of the racing surface.

(b) All rail posts, except portable, auxiliary, or chute rail posts, must be set in concrete at least 6 inches below the racetrack surface and shall be at least 24 inches deep. Permanent rails shall be designed not to collapse or break away when a horse ~~which~~ that is running parallel to the rail ~~either~~ bumps, lugs or falls into the rail or posts during normal training or racing. Notwithstanding the above, no permanent or portable turf post or rail shall be constructed of fiberglass, poly vinyl chloride (P.V.C.), or wood, ~~nor~~ and hedges shall not ~~hedges~~ be used as a post or rail. ~~All existing wood rails will be required to be replaced by the 1996 race meetings.~~

(c) The height of all outside and inside rails shall be between 38 and 42 inches from the top of the racing surface to the top of the rail.

(d) All rails, and rail post covers shall be maintained ~~so as to ensure~~ with a smooth surface, and without jagged, sharp or irregular edges. All permanent rails and rail post covers shall be firmly secured by means of bolting, welding or other equivalent method.

(e) All permanent inside rail posts shall be of a gooseneck-type design utilizing at least a 24-inch overhang with a continuous smooth elevated cover extending over the posts. Portable rails and posts shall be designed not to collapse or break away when a horse ~~which~~ that is running parallel to the rail ~~either~~ bumps, lugs or falls into the rail or posts during normal training or racing conditions. This subsection shall not apply to chute extension rails.

(f) All turf course paths, leading from the inside rail of the main course to the turf course, shall be consistent in appearance with surrounding area. No rails shall be installed on turf course paths ~~which~~ that lead from the main course to the turf course.

(g) No objects shall be placed within 10 feet from the face of the inside rail. Marker poles ~~which~~ that are placed within 10 feet from the face of the inner rail shall be flexible enough to collapse upon impact of a horse and/or rider or driver.

(h) Any concrete drainage ditch within 10 feet of the face of the inside rail must be covered with a material that will support the weight of the horse and rider or driver and at the same time (if needed), and have padding to cushion the impact of the horse and rider or driver.

(i) All rail gate openings shall be designed not to collapse or break away when a horse ~~which~~ that is running parallel to the rail ~~either~~ bumps, lugs or falls into the rail or post during normal training or racing. Gates shall have a uniform appearance with the contiguous rail, and all gates on inner rails shall be closed and secured during racing and training.

(j) Separate ingress and egress gates or gaps shall be provided for horses to enter and leave the main racetrack. Each ingress and egress gate or gap shall be a minimum of ~~twenty~~ (20) feet wide. Ingress and egress gates and gaps shall be separated by at least ~~twenty~~ (20) feet. All gaps may be available for ingress for two (2) minutes immediately following renovation breaks. The starting gates used for breaking horses during morning training hours shall be placed in a location ~~which~~ that will not result in interference or distraction of gate horses from other horses entering or leaving the track during training hours.

(k) All racetrack lighting systems utilized for night racing shall have ~~either~~ an emergency back-up system or a preferred electrical current provided by a public utility and incandescent lighting. Any such lighting systems must provide horses, riders, and drivers sufficient lighting to safely leave the track in case of a main power failure.

(l) All licensed racing associations or racing fairs conducting live racing and/or training and other training facilities used for timed and reported workouts shall have: ~~provide the Board with written certification by a Land Surveyor or Registered Civil Engineer licensed by the State of California, Board of Registration For Professional Engineers and Land Surveyor certifying:~~

(1) Permanent track surface elevation grade marks ~~have been~~ installed at least at every 1/32 mile intervals to provide for a means of maintaining a continuous uniform grade of the track cushion and base (if granite). If the track is designed with the front stretch or ~~back stretch~~ backstretch at a different elevation than the other, a continuous grade from one elevation to the other shall be maintained.

(2) ~~The percent of cross slope in both the straightaways and turns. There shall be a~~ A minimum of two 2 percent (2%) cross slope in the straightaways straight-aways and a minimum of ~~four 4 percent (4%)~~ 4 percent (4%) cross slope in the center of the turns.

(3) Notwithstanding subparagraph (1)(2) of this rule, polymer or wax-coated sand track surfaces shall conform with the minimum recommendations of the manufacturer of such track surface regarding the percent of cross slope in the straight-aways and turns, and requisite drainage installations.

Authority: Sections 19420, and 19440 ~~and~~ 19481,  
Business and Professions Code.

Reference: Sections 19420, 19440 ~~and~~ 19481,  
Business and Professions Code.

STAFF ANALYSIS  
PROPOSED AMENDMENT OF  
RULE 1974. WAGERING INTEREST

Regular Board Meeting  
January 19, 2006

**BACKGROUND**

Business and Professions (B&P) Code Section 19420 provides that the Board shall have jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. B&P Code Section 19440 states the Board shall have all powers necessary and proper to enable it to carry out the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19562 provides the Board may prescribe rules, regulations, and conditions under which all horse races with wagering on their results shall be conducted in this State. At the December Pari-Mutuel Operations Committee meeting the practice of coupling as a single wagering interest two or more horses when such horses are owned in whole or in part by the same person or persons was reviewed. Some persons expressed dissatisfaction with the possibility that a fan that wagers on a coupled entry consisting of a favorite and a mediocre horse would be left with a wager on the lesser horse if the favorite were scratched. Two possible solutions were raised: eliminate the practice of coupling horses; or, when one horse from a coupled entry withdraws, declare the entire entry withdrawn for wagering purposes only, and any remaining horse in the wagering interest runs uncoupled for the purse only.

**ANALYSIS**

Two draft proposals have been prepared for Board consideration. Draft "A" is a proposed amendment to Rule 1974, Wagering Interest. The proposed amendment to Rule 1974 provides that if one horse from a coupled entry is declared or withdrawn, the entire entry is considered declared or withdrawn for wagering purposes only. Any remaining horse in the coupled entry shall run uncoupled for purse only. This would have the effect of allowing any patron who placed a wager on the coupled entry to receive a refund on such wager. In addition, the remaining horses, although considered withdrawn for wagering purposes, could still run for the purse. Draft "B" is a proposal to eliminate the practice of coupling. Draft "B-1" consists of a repeal of Rule 1974, Wagering Interest; and draft "B-2," a repeal of Rule 1606, Coupling of Horses. In addition, the proposal would amend Rule 1420, subsection (aa), to include a definition of "wagering interest" (draft "B-3"). Currently, horses are coupled as a single wagering interest if they are owned in whole or in part by the same person or persons. Coupling is meant to prevent the perception of influence on the outcome of a race when more than one horse in a race is owned by the same owner. However, it is not unusual for horses

trained by the same trainer to run in the same race, and such horses are not coupled as a single wagering interest.

Adopting either proposal will impact the following regulations, which are attached for review:

1954.1, Parlay Wagering on Win, Place or Show

1957, Daily Double

1959, Special Quinella (Exacta)

1976, Unlimited Sweepstakes

1976.8, Place Pick (n)

1976.9, Pick (n) Pool

1977, Pick Three

1978, Select Four

1979, Trifecta

1979.1, Superfecta

#### RECOMMENDATION

This item is presented for Board discussion and action.





# DRAFT B-1

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 18. PARI-MUTUEL WAGERING  
PROPOSED REPEAL OF  
RULE 1974. WAGERING INTEREST

Regular Board Meeting  
January 19, 2006

~~1974. Wagering Interest.~~

~~A wagering interest may be any one horse in a race, or may be two or more horses coupled as a single wagering interest as an "Entry" or the "Field." A declaration or withdrawal of one horse from a wagering interest which consists of more than one horse shall have no effect on any wagers made on such wagering interest.~~

## DRAFT B-2

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 6. ENTRIES AND DECLARATIONS  
PROPOSED REPEAL OF  
RULE 1606. COUPLING OF HORSES

Regular Board Meeting  
January 19, 2006

~~1606. Coupling of Horses.~~

~~Two or more horses shall be coupled as a single wagering interest and as an entry when such horses are owned in whole or in part by the same person or persons.~~

Authority: ~~Sections 19420, 19440 and 19590,  
Business and Professions Code.~~

Reference: ~~Section 19401,  
Business and Professions Code.~~

# **DRAFT B-3**

**CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 2. DEFINITIONS.  
PROPOSED AMENDMENT OF  
RULE 1420. DEFINITIONS.**

Regular Board Meeting  
January 19, 2006

## **1420. Definitions.**

As used in these rules:

(a) "Chairman" means the member elected by the Board to be Chairman of the Board and its presiding member.

(b) "Commissioner" means a member of the Board.

(c) "Age of Horse" means the age as reckoned beginning on the first day of January of the year in which the horse was foaled.

(d) "Authorized Agent" means an agent appointed by a written document, which is signed by the owner and filed with the Board.

(e) "Breeder" means the owner of the dam at the time of foaling.

(f) "Conviction" includes a plea of guilty, forfeiture of bail, a judgment or verdict of guilty, or a conviction following a plea of nolo contendere, whether or not the conviction is later set aside pursuant to the provisions of Section 1203.4 of the Penal Code.

(g) "Driver" means one who drives and controls the horse from a seated position on a two-wheel vehicle.

(h) "Horse" means an equine and includes a stallion, gelding, mare, colt, filly or ridgling and includes mule, jack, jenny, ginnet, and hinney.

(i) "Jockey" means a race rider.

## DRAFT B-3

(j) "Licensee" means a licensee of the California Horse Racing Board.

(k) "Maiden" means a horse ~~which~~ that has never won a race on the flat in a state or country where the races are covered by the Daily Racing Form or other similar authorized publication. A maiden ~~which~~ that has been disqualified after finishing first is still a maiden. Conditions referring to maidens apply to the status at the time of starting.

(l) "Nominator" means a person in whose name a horse is entered to race.

(m) "Objection" means a formal complaint filed before a race with the stewards or the Board objecting to the eligibility of any horse to compete in the race or the right of any person to participate in the race.

(n) "Owner" includes the owner, part owner and lessee of any horse. An interest only in the earnings of a horse does not constitute ownership. If husband and wife, it is presumed that joint ownership exists.

(o) "Post" means the place on the race course from which a start is made.

(p) "Post Time" means the definite time for the start of a race, and is indicated by a clock device set up as directed by the Board.

(q) "Premises" means the inclosure and all other areas collectively utilized by an association in connection with its conduct of a licensed race meeting, including parking lots, auxiliary stabling areas, public inclosure and restricted areas, whether or not the areas are adjacent to the inclosure.

(r) "Protest" means a formal complaint filed after a race with the stewards or the Board protesting the right of any horse to a place, purse or award in the race, or protesting any

## **DRAFT B-3**

decision of the stewards relating to the eligibility, participation or placing of any horse in a race.

(s) "Race" means a contest among horses for a purse, stake or reward, contested at an authorized race meeting. "Race" includes but is not limited to:

(1) Purse Race. A race for money or any other prize to which the owners of the horses engaged do not contribute.

(2) Stake Race. A race for which owners of horses entered or engaged for the race contribute to a purse for which money or any other prize may be added, nominations to which close 72 hours or more before starting.

(3) Claiming Race. A race in which any horse entered therein may be claimed in conformity with the rules established by the Board.

(4) Handicap Race. A race in which the weights to be carried by the entered horses are adjusted by a handicapper, board of handicappers or the racing secretary, to equalize their respective chances of winning.

(5) Overnight Race. A race in which entries close 72 hours or less, excluding Sundays, in advance of the first race of the day on which the race is to be run.

(6) Walkover. A stake race in which only one horse starts or in which all the starters are owned by the same interest.

(7) Invitational Stake Race. An invitational stake race or an invitational handicap race for which owners do not contribute to the purse, but which is advertised in the regular stakes program, shall also be considered a stake race.

## DRAFT B-3

(8) Non-wagering Race. A race contested without pari-mutuel wagering on its results including a race upon which pari-mutuel wagering is canceled.

(9) Match Race. A race contested between two horses under conditions of the contest agreed to by their owners.

(10) "Special Racing Event". A race of unique interest, magnitude or fame. "Special racing event" shall also mean an exhibition race when approved by the Board.

(11) "Exhibition Race". A race contested under conditions established by the association as a promotional event or to provide a special racing opportunity to a particular horse or class of horse or class of participants and to which the association contributes the purse or awards for the contest. No pari-mutuel wagering may be conducted on the results of an exhibition race.

(t) "Race on the Flat" means a race run over a course on which no jumps or other obstacles are placed.

(u) "Recognized Meeting," "Race Meeting," or "Authorized Meeting" means the entire period under the conduct of an association within the inclosure of the designated grounds, and for which ~~a license has been granted by the Board~~ has granted a license. When the context in the rules applies, it may include a meeting conducted by an association in some other jurisdiction recognized by the Board.

(v) "Restricted Area" means those areas within the inclosure where admission can be obtained only upon presentation of authorized credentials, proper license or visitor's pass, including those areas designated as the stable area, receiving or detention barn, jockey room, saddling paddock, race course and pari-mutuel department.

## DRAFT B-3

(w) "Rules" means the Rules and Regulations of the California Horse Racing Board and the orders of the Board.

(x) "Starter" means a horse when it is in the starting gate stall, and, when ~~the field is dispatched by the starter~~ dispatches the field, the stall gate in front of the horse is opened.

(y) "Sulky" means a dual wheel-racing vehicle with dual shafts not exceeding the height of the horse's withers. Shafts must be hooked separately on each side.

(z) "Time of Race Meeting" means that period of time commencing at 12:01 A.M. on the first day of racing at a recognized meeting and concluding at 12:00 midnight after the final race of the last day of racing as allocated and licensed by the Board.

(aa) "Wagering Interest" is any one horse in a race.

(aa bb) "Weight for Age" means the standard weight to be carried by a horse according to the scale established by the rules, and remains such though there be penalties or allowances.

Authority: Sections 19440, 19562 and 19563,  
Business and Professions Code.

Reference: Sections 19401(e) and 19420,  
Business and Professions Code.



## DRAFT B-3

(8) Non-wagering Race. A race contested without pari-mutuel wagering on its results including a race upon which pari-mutuel wagering is canceled.

(9) Match Race. A race contested between two horses under conditions of the contest agreed to by their owners.

(10) "Special Racing Event". A race of unique interest, magnitude or fame. "Special racing event" shall also mean an exhibition race when approved by the Board.

(11) "Exhibition Race". A race contested under conditions established by the association as a promotional event or to provide a special racing opportunity to a particular horse or class of horse or class of participants and to which the association contributes the purse or awards for the contest. No pari-mutuel wagering may be conducted on the results of an exhibition race.

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(v) "Restricted Area" means those areas within the inclosure where admission can be obtained only upon presentation of authorized credentials, proper license or visitor's pass, including those areas designated as the stable area, receiving or detention barn, jockey room, saddling paddock, race course and pari-mutuel department.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 18. PARI-MUTUEL WAGERING  
PROPOSED AMENDMENT OF  
RULE 1954.1. PARLAY WAGERING ON WIN, PLACE OR SHOW

Regular Board Meeting  
January 19, 2006

1954.1. Parlay Wagering on Win, Place or Show.

(a) The parlay is not a separate pari-mutuel pool, it is a series of wagers (consisting of legs) combining wagering entries in Win, Place or Show pools. The initial amount wagered constitutes the wager on the first leg, and if successful, the payout from the first leg constitutes the wager on the second leg, etc.

(b) A parlay wager is limited to Win, Place or Show which have a corresponding pool conducted on the race selected. The wager must combine at least two races but not more than six races. The races in a parlay must be in chronological order but do not need to be consecutive races or combine the same type pool.

(c) A parlay wager may only be on one pool and one wagering interest per leg and cannot combine wagers on races on other days.

(d) Payouts included as wagers in subsequent races and the final payout ~~to the parlay wagerer~~ shall be broken to the nearest dime. Parlay breakage shall be reported separately and added to regular breakage at the end of the day for the purpose of taxation and distribution.

(e) Parlay payouts will be included as wagers in subsequent pools by the track operator so the amount of such wagers, including their impact on the wagering odds, will be displayed. Wager totals in such pools shall be displayed in truncated fashion, to the lowest dollar.

(f) Parlay wagers may be cancelled by the ticket holder, in accordance with track policy, only before the start of the first parlay leg in which a parlay selection starts. Parlay wagers not cancelled must be completed or terminated by operation of these rules in order to be entitled to a payout.

(g) If a race, pool or wagering entry in a parlay is scratched, which includes an entry being declared a non-starter for wagering purposes, or a race or pool is cancelled, the parlay shall consist of the remaining legs. The parlay terminates if there are no remaining legs.

~~(h) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of the coupled entry or field starts for parimutuel purposes in accordance with Rule 1974 of this Article.~~

Authority: Section 19590,  
Business and Professions Code.

Reference: Sections 19594, 19597 and 19598,  
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 18. PARI-MUTUEL WAGERING  
PROPOSED AMENDMENT OF  
RULE 1957. DAILY DOUBLE

Regular Board Meeting  
January 19, 2006

1957. Daily Double.

(a) The Daily Double is a separate ~~parimutuel~~ pari-mutuel pool established on two (2) races. The pool consists of amounts wagered on the selection of the winning horse of both races. It is not a parlay and has no connection with or relation to other pools conducted by the association or to rules governing the distribution of other pools.

(b) A valid Daily Double ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Daily Double provisions and rules contained in this ~~Article~~ article.

(c) The association shall distribute the net pool to holders of valid tickets that correctly selected the winner of both races. If no ticket selected the winner of both races, the net pool shall be distributed as a place pool among tickets that included the winner of the first race and tickets that included the winner of the second race.

(d) If no ticket included the winner of the first race the net pool shall be distributed equally among tickets that included the winner of the second race; and, if no ticket included the winner of the second race the net pool shall be distributed equally among tickets that included the winner of the first race.

(e) If no ticket included the winner of either race the net pool shall be distributed equally among tickets selecting the second place finishers of both races.

(f) The association shall refund the entire pool if no ticket requires a payout or if the first race is cancelled.

(g) If the second race is cancelled after the first race has been completed, the net pool shall be distributed as a single price pool among tickets selecting the winner of the first race.

(h) Before the first race is run, any money wagered on a horse in either race that is scratched, excused by the Stewards stewards or prevented from racing shall be deducted from the pool and refunded.

(i) If any horse is scratched, excused by the Stewards stewards or prevented from racing because of the failure of the stall doors or starting gate to open in the second race, after the first race has been completed, all tickets including such horse(s) shall be deducted from the pool, and the pool(s), thus formed shall be distributed as a straight pool(s) among tickets combining the winner of the first race with such horse(s).

~~(j) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for parimutuel purposes in accordance with Rule 1974.~~

(k) If a dead heat occurs in either race the net pool is figured as a place pool. Example: Number eight (8) and five (5) dead heat in the first race, and number three (3) wins the second race, the pool would be divided and apportioned to tickets bearing eight (8) and three (3), and five (5) and three (3).

Authority: Sections 19440 and 19590,  
Business and Professions Code.

Reference: Section 19590,  
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 18. PARI-MUTUEL WAGERING  
PROPOSED AMENDMENT OF  
RULE 1959. SPECIAL QUINELLA (EXACTA)

Regular Board Meeting  
January 19, 2006

1959. Special Quinella (Exacta).

(a) The Special Quinella is not a parlay and has no connection with or relation to the win, place and show pools shown on the totalizator board. All tickets on the Special Quinella will be calculated in a separate pool.

(b) A Special Quinella race shall be given a distinctive name to be selected by the association ~~conducting such race~~, such as "Perfecta" or "Exacta," subject to the approval of the Board.

(c) All Special Quinella tickets will be for the win and place combination only. Each person purchasing a Special Quinella ticket shall designate the exact order in which the first two horses will finish in a Special Quinella race. For example, if number 3 three is selected to finish first and number 6 six is selected to finish second, they must come in number 3 three, first and number 6 six second in order to win.

~~(d) Entries or field horses in a race comprising the Special Quinella shall race as single wagering interests for the purposes of mutuel pool calculations and payouts to the public. If, in the event that any part of the entry or the field is a starter, there shall be no refund to persons wagering on such entry or field. In the event any part of an entry or the field finishes first, the order of finish of all other horses making up such entry or field will be disregarded in determining which horse finished second for the purpose of this rule.~~

(ed) Should any horse or horses entered in a Special Quinella race be scratched or excused by the ~~Stewards~~ stewards after wagering has commenced or should any horse or horses be prevented from racing because of the failure of the stall doors of the starting gate to open, all tickets including such horse or horses shall be deducted from the Special Quinella Pool and money refunded to the purchasers of tickets on the horse or horses so excused or prevented from racing.

(fe) In the event that no ticket is sold on the winning combination of a Special Quinella Pool, the net pool shall be distributed equally among holders of tickets selecting the winning horse to finish first and holders of tickets selecting the second place horse to finish second.

(gf) In the event of a dead-heat between two horses for first place, the net pool shall be calculated and distributed as a place pool to holders of the winning combinations.

(hg) In the event of a dead-heat between two or more horses for place, all tickets designating the proper first horse to win which are coupled with any of the place horses involved in a dead-heat shall be the winners of the Special Quinella race and payouts calculated according to their respective interest in the net pool.

(ih) In the event of a dead-heat for second place, if no ticket is sold on one of the two winning combinations, the entire net pool shall be calculated as a win pool and distributed to those holding tickets on the other winning combinations. If no tickets combine the winning horse with either of the place horses in the dead-heat the Special Quinella Pool shall be calculated and distributed to holders of tickets designating the winning horse or either of the place horses according to their respective interest in the net pool.

(ji) In the event of a dead-heat among three or more horses for first place, the net pool shall be calculated and distributed to holders of tickets designating any two of the horses participating in the dead-heat according to their respective interest in the net pool.

(kj) In the event that no ticket is sold that would require distribution to any winner as above defined the Special Quinella shall be deemed "No Contest" and all money in the Special Quinella shall be promptly refunded.

Authority: Sections 19440 and 19590,  
Business and Professions Code.

Reference: Section 19590,  
Business and Professions Code.



CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 18. PARI-MUTUEL WAGERING  
PROPOSED AMENDMENT OF  
RULE 1976. UNLIMITED SWEEPSTAKES

Regular Board Meeting  
January 19, 2006

1976. Unlimited Sweepstakes.

(a) The Unlimited Sweepstakes ~~parimutuel~~ pari-mutuel pool is not a parlay and has no connection with or relation to any other ~~parimutuel~~ pari-mutuel pool conducted by the association, nor to any win, place and show pool shown on the totalizator, nor to the rules governing the distribution of such other pools.

(b) An Unlimited Sweepstakes ~~parimutuel~~ pari-mutuel ticket shall be evidence of a binding contract between the holder of the ticket and the association and the said ticket shall constitute an acceptance of the Unlimited Sweepstakes provisions and rules contained in this article ~~Article 18~~.

(c) An Unlimited Sweepstakes may be given a distinctive name by the association conducting the meeting, subject to approval of the Board.

(d) The Unlimited Sweepstakes ~~parimutuel~~ pari-mutuel pool consists of amounts contributed for a selection for win only in each of nine races designated by the association with the approval of the Board. Each person purchasing an Unlimited Sweepstakes ticket shall designate the winning horse in each of the nine races comprising the Unlimited Sweepstakes.

~~(e) Those horses constituting an entry of coupled horses or those horses coupled to constitute the field in a race comprising the Unlimited Sweepstakes shall race as a single wagering interest for the purpose of the Unlimited Sweepstakes parimutuel pool calculations~~

~~and payouts to the public. However if any part of either an entry or the field racing as a single wagering interest is a starter in a race the entry or the field selection shall remain as the designated selection to win in that race for the Unlimited Sweepstakes calculation and the selection shall not be deemed a scratch.~~

(fe) The Unlimited Sweepstakes parimutuel pool shall be calculated as follows:

(1) One hundred percent (100%) of the net amount in the ~~parimutuel~~ pari-mutuel pool subject to distribution among winning ticket holders shall be distributed among the holders of ~~parimutuel~~ pari-mutuel tickets ~~which~~ that correctly designate the official winner in each of the nine races comprising the Unlimited Sweepstakes.

(2) In the event there is no ~~parimutuel~~ pari-mutuel ticket properly issued ~~which~~ that correctly designates the official winner in each of the nine races comprising the Unlimited Sweepstakes, ~~twenty-five~~ 25 percent (~~25%~~) of the net amount in the ~~parimutuel~~ pari-mutuel pool shall be distributed among the holders of ~~parimutuel~~ pari-mutuel tickets ~~which~~ that correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes, and the remaining ~~seventy-five~~ 75 percent (~~75%~~) of the net amount in the ~~parimutuel~~ pari-mutuel pool shall not be distributed as provided above but shall be retained by the association as distributable amounts and shall be carried over and included in the Unlimited Sweepstakes ~~parimutuel~~ pari-mutuel pool for the next succeeding racing date as an additional net amount to be distributed as provided in subsection (fe)(1).

(gf)(1) Except as provided in subsection (kj) and subsection (ml), should no distribution be made pursuant to subsections (fe)(1), then the distributable pool and all monies accumulated therein shall be carried over until that amount equals or exceeds five million dollars

~~(\$5,000,000)~~ or such lesser amount as the racing association designates to the Board at the time it files its license application with the Board.

(2) Once the pool and all monies accumulated therein equals or exceeds five million dollars, or such lesser amount designated by the racing association pursuant to subsection ~~(gf)~~(1), that amount shall be distributed on the next racing day as provided in subsection ~~(fe)~~(1); but if no holder of ~~parimutuel~~ pari-mutuel tickets correctly designates the official winner in each of the nine races comprising the Unlimited Sweepstakes, then ~~seventy-five~~ 75 percent ~~(75%)~~ of the pool shall be distributed among the holders of ~~parimutuel~~ pari-mutuel tickets ~~which~~ that correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes. The remaining ~~twenty-five~~ 25 percent ~~(25%)~~ of the pool shall be distributed to those holders of ~~parimutuel~~ pari-mutuel tickets ~~which~~ that correctly designate the next greatest number of official winners.

~~(hg)~~ In the event an Unlimited Sweepstakes ticket designates a selection in any one or more of the races comprising the Unlimited Sweepstakes and that selection is scratched, excused or determined by the ~~Stewards~~ stewards to be a nonstarter in the race, the actual favorite, as evidenced by the amounts wagered in the win pool at the time of the start of the race, will be substituted for the non-starting selection for all purposes, including pool calculations and payouts.

~~(ih)~~ In the event of a dead heat for win between two or more horses in any Unlimited Sweepstakes race, all such horses in the dead heat for win shall be considered as winning horses in the race for the purpose of calculating the pool.

(ji)(1) In the event that all nine races comprising the Unlimited Sweepstakes are cancelled or declared as no contest, all ~~parimutuel~~ pari-mutuel tickets held on the Unlimited Sweepstakes for that day or night shall be refunded and the Unlimited Sweepstakes shall be cancelled in its entirety for that day or night and any retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection (fe)(2) shall be carried over to the next succeeding racing date of that meeting.

(2) In the event that fewer than nine, but no more than three, races comprising the Unlimited Sweepstakes are completed due to the cancellation of one or more races or the Stewards stewards declaring one or more races as no contest, the pool for that racing day shall be refunded and the Unlimited Sweepstakes shall be cancelled in its entirety as provided in subsection (ji)(1).

(3) In the event that fewer than nine, but no fewer than four, races comprising the Unlimited Sweepstakes are completed due to the cancellation of one or more races or the Stewards stewards declaring one or more races as no contest, ~~one hundred~~ 100 percent (100%) of the net amount in the ~~parimutuel~~ pari-mutuel pool for that day or night, exclusive of any retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection (fe)(2), shall be subject to distribution among holders of ~~parimutuel~~ pari-mutuel tickets ~~which~~ that correctly designate the most winners in the completed races of the Unlimited Sweepstakes. The retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection (fe)(2) shall be carried over to the next succeeding racing date of that meeting.

(k) (1) Should no distribution be made pursuant to subsection (f)(1) on the last day of the association's race meeting, then the distributable pool and all monies accumulated therein shall be distributed on that day. Seventy-five percent (~~75%~~) of the pool shall be distributed among holders of ~~parimutuel~~ pari-mutuel tickets ~~which~~ that correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes. The remaining ~~twenty-five~~ 25 percent (~~25%~~) of the pool shall be distributed to those holders of ~~parimutuel~~ pari-mutuel tickets ~~which~~ that correctly designate the next greatest number of official winners.

(2) In the event that an association is unable to distribute the retained distributable amount carried over from any prior Unlimited Sweepstakes pool established pursuant to subsection (f)(2) by the end of its race meeting due to cancellation of the final day(s) or night(s) of racing or any other reason, the retained distributable amount shall be carried forward to the next race meeting having an Unlimited Sweepstakes at the same location and of the same breed of horse as the racing association that generated the retained distributable amount. The retained distributable amount shall be included in the Unlimited Sweepstakes pool for the first day or night of racing at the subsequent race meeting.

(l) No ~~parimutuel~~ pari-mutuel ticket for the Unlimited Sweepstakes pool shall be sold, exchanged or cancelled after the time of the closing of wagering in the first of the nine races comprising the Unlimited Sweepstakes, except for such refunds on Unlimited Sweepstakes tickets as required by this regulation, and no person shall disclose the number of tickets sold in the Unlimited Sweepstakes pool or the number or amount of tickets selecting winners of

Unlimited Sweepstakes races until such time as the ~~Stewards~~ stewards have determined the last race comprising the Unlimited Sweepstakes each day to be official.

(~~ml~~) The racing association may, at its election, designate to the Board, at the time it files its license application with the Board, one or more racing days (nights) during its racing meeting on which the retained distributable amount carried over from any prior Unlimited Sweepstakes pool established pursuant to subsection (~~fe~~)(2), shall be distributed as provided in subsection (~~gf~~)(2), even though the retained amount is less than the amount specified in or designated by the racing association pursuant to subsection (~~gf~~)(1).

Authority: Sections 19420, 19440 and 19590,  
Business and Professions Code.

Reference: Section 19590,  
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 18. PARI-MUTUEL WAGERING  
PROPOSED AMENDMENT OF  
RULE 1976.8. PLACE PICK (N)

Regular Board Meeting  
January 19, 2006

1976.8. Place Pick (n).

(a) The Place Pick (n) is a separate ~~parimutuel~~ pari-mutuel pool established by the association on a designated number of races. The pool consists of amounts wagered on the horse to finish first or second in each of the races. It is not a parlay and has no connection with or relation to other pools conducted by the association, except for the provisions in subsection (ed), or to rules governing the distribution of other pools.

(b) A valid Place Pick (n) ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Place Pick (n) provisions and rules contained in this ~~Article~~ article.

(c) A Place Pick (n) may be given a distinctive name by the association conducting the meeting, subject to Board approval.

~~(d) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for parimutuel purposes in accordance with Rule 1974.~~

(ed) If a ticket in any race designates a selection that was scratched, excused or determined by the ~~Stewards~~ stewards to be a nonstarter in the race, the association may designate the actual favorite, which is determined by the amounts wagered in the win pool at the time of the start of the race, or may allow patrons the option of selecting an alternate

betting interest. The actual favorite or the alternate betting interest will be substituted for the non-starting selection for all purposes.

(fe) ~~Except as provided in subsection (f)(1), in~~ In a dead heat for win between two (2) or more horses, only the horses in such dead heat shall be considered winning horses.

~~(1) In a dead heat for win between two (2) or more coupled horses, all such horses together with the horse(s) which finishes next in order shall be considered winning horses.~~

(21) ~~Except as provided in subsection (f),~~ In a dead heat for second between two (2) or more horses, all such horses together with the horse which finished first shall be considered winning horses.

(gf) The association shall distribute the net pool to holders of valid tickets that correctly selected the most first or second place finishers.

(hg) All tickets shall be refunded if all races comprising the Place Pick (n) are cancelled or declared as no contest. The entire pool shall be refunded if less than four (4) races are completed and if four (4) or more races are completed the net pool shall be distributed pursuant to subsection (gf).

(ih) After wagering closes on the first race comprising the Place Pick (n) no ticket shall be sold, exchanged or cancelled. No person shall disclose the number of tickets sold in the Place Pick (n) or the number or amount of tickets that selected winners of Place Pick (n) races until the Stewards stewards declare the last race official.

Authority: Sections 19440, and 19590, and 19593,  
Business and Professions Code.

Reference: Sections 19440, 19590, and 19593,  
Business and Professions Code.



CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 18. PARI-MUTUEL WAGERING  
PROPOSED AMENDMENT OF  
RULE 1976.9 PICK (N) POOL

Regular Board Meeting  
January 19, 2006

1976.9. Pick (n) Pool.

(a) The Pick (n) requires selection of the first-place finisher in each of a number of races designated by the association. The association shall designate the percentage of the net pool considered the major share, and the percentage of the net pool considered the minor share, if any. The number of races comprising a Pick (n) must be at least four but no more than ten. Subsequent changes to the Pick (n) shall be requested in writing by the association. The Board or its designated representative shall respond in writing to requests within five working days of their receipt at Board headquarters.

(b) The major share of the net Pick (n) pool, along with the Pick (n) carryover, shall be distributed to ticket holders that selected the first-place finisher in each of the Pick (n) races, based upon the official order of finish, and the minor share of the net Pick (n) pool shall be distributed as a win pool to ticket holders whose selection finished first in the second greatest number of Pick (n) races; if there are no wagers selecting the first place finisher in each of the Pick (n) races, then:

(1) The minor share of the net pool shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick (n) races, and

(2) The major share of the net Pick (n) pool shall be retained by the association and added to the corresponding Pick (n) pool of the next performance. The additional Pick (n) pool resulting from such a carryover shall be termed the "Pick (n) carryover."

(c) In a dead heat for first in any of the Pick (n) races involving:

~~(1) Coupled horses or horses coupled to constitute the field, the Pick (n) pool shall be distributed as if a dead heat had not occurred, or~~

(21) Horses representing two or more wagering interests, all horses in the dead heat for win shall be considered winning horses to calculate the pool.

(d) If a wagering interest in any of the Pick (n) races is scratched, the association may designate the favorite, determined by total amounts wagered in the win pool at the close of wagering on that race, or allow patrons the option of selecting an alternate wagering interest. The favorite or alternate wagering interest shall be substituted for the scratched wagering interest for all purposes. If the association elects to designate the favorite and the win pool total is identical for two or more horses, the horse with the lowest program number is used. The totalizator shall produce written reports showing each of the wagering combinations with substituted wagering interests that became winners as a result of the substitution, in addition to the normal winning combination, at the end of each race where substitutions occur.

(e) The Pick (n) pool shall be canceled and all Pick (n) wagers for the individual performance shall be refunded if:

(1) Three or more races included as part of a Pick 4, Pick 5 or Pick 6 are canceled or declared no contest; or

(2) Four or more races included as part of a Pick 7, Pick 8 or Pick 9 are canceled or

declared no contest; or

(3) Five or more races included as part of a Pick 10 are canceled or declared no contest.

(f) If at least one race included as part of a Pick (n) is canceled or declared no contest, but fewer than the number specified in subsection (e), the net pool shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick (n) races for that performance. Such distribution shall include the portion ordinarily retained for the Pick (n) carryover but not the carryover from previous performances.

(g) The Pick (n) carryover may be capped at an amount designated by the association, with Board approval. If, at the close of any performance, the carryover equals or exceeds the designated cap, it will be frozen until it is won or distributed under other provisions of this rule. After the carryover is frozen, ~~100%~~ percent of the net pool shall be distributed to ticket holders whose selection finished first in the greatest number of Pick (n) races for that performance.

(h) Permission to distribute the Pick (n) carryover on a specific date and performance shall be obtained from the Board. The mandatory payout request must contain the intended date and performance for the distribution.

(i) If the Pick (n) carryover is designated for distribution on a specified date and performance in which no wagers selects the first-place finisher in each of the Pick (n) races, the entire pool including the carryover shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick (n) races. The Pick (n) carryover

shall be designated for distribution on a specified date and performance only under the following circumstances:

(1) With written approval from the Board as provided in subsection (h); or

(2) With written approval from the Board when there is a change in the carryover cap, a change from one type of Pick (n) wagering to another, or when the Pick (n) is discontinued;  
or

(3) On the closing performance of the meet or split meet.

(j) If the Pick (n) carryover must be carried over to the corresponding Pick (n) pool of a subsequent meet, it shall be deposited in an interest-bearing account approved by the Board. The Pick (n) carryover plus accrued interest shall then be added to the net Pick (n) pool of the following meet on a date and performance designated by the association, with Board approval.

(k) With Board approval, the association may contribute to the Pick (n) carryover a sum of money up to the amount of any designated cap.

(l) No ticket for the Pick (n) pool shall be sold, exchanged or canceled after the close of wagering in the first race comprising the Pick (n), except for refunds required by this rule.

(m) Providing information to any person regarding covered combinations, amounts wagered on specific combinations, number of tickets sold, or number of live tickets remaining is prohibited. The totalizator will be programmed to suppress all information related to Pick (n) wagering activity until the conclusion of the final race except for the following:

(1) Total amount of the net pool at the close of Pick (n) wagering.

(2) Information regarding possible Pick (n) payouts for each of the runners when the last race of the Pick (n) pool is the only race remaining to be run.

(n) If the racing surface changes from turf to dirt or dirt to turf in any race of a Pick (n) pool, and such change was not announced to the public before the close of wagering on the Pick (n) pool, all wagers on such race shall be considered winning wagers for the purposes of the Pick (n) pool.

Authority: Sections 19440 and 19590,  
Business and Professions Code.

Reference: Sections 19440, 19590 and 19593,  
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 18. PARI-MUTUEL WAGERING  
PROPOSED AMENDMENT OF  
RULE 1977. PICK THREE

Regular Board Meeting  
January 19, 2006

1977. Pick Three.

(a) The Pick Three is a separate ~~parimutuel~~ pari-mutuel pool established on three ~~(3)~~ consecutive races. The pool consists of amounts wagered on the winning horse in each of the races. It is not a parlay and has no connection with or relation to other pools conducted by the association, except for the provisions in subsection ~~(hg)~~, or to rules governing the distribution of other pools.

(b) A valid Pick Three ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Pick Three provisions and rules contained in this ~~Article~~ article.

~~(c) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for parimutuel purposes in accordance with Rule 1974.~~

~~(dc)~~ The association shall distribute the net pool to holders of valid tickets that correctly selected the winners in all three ~~(3)~~ races.

~~(ed)~~ In a dead heat for win between two ~~(2)~~ or more horses in any of the Pick Three races, all such horses shall be considered winning horses in that race for calculating the pool. The payout shall reflect the proportionate amount of money wagered on each winning combination.

(~~fe~~) If no ticket selected the winner in all three (~~3~~) races, the net pool shall be paid for tickets that selected the winner in any two (~~2~~) races; and if no ticket selected two (~~2~~) winners the net pool shall be paid for tickets that selected the winner of any one (~~1~~) race. The association shall refund the entire pool if no ticket selected the winner of any one (~~1~~) race.

(~~gf~~) If one (~~1~~) of the races is cancelled, the net pool shall be distributed as provided in subsection (~~fe~~). If more than one (~~1~~) race is cancelled the association shall refund the entire pool.

(~~hg~~) A ticket designating a selection that was scratched, excused or determined by the Stewards stewards to be a nonstarter in the race, shall have the favorite, which is determined by the amounts wagered in the win pool at the time of the start of the race, substituted for the non-starting selection for all purposes.

(~~ih~~) After wagering closes on the first race of the Pick Three no ticket shall be sold, exchanged or cancelled. No person shall disclose the number of tickets sold in the Pick Three races or the number or amount of tickets that selected winners of Pick Three races until the ~~Stewards~~ stewards declare the last race official. After the second of the three (~~3~~) races, the association may display potential distributions dependent upon the outcome of the third race.

Authority: Sections 19440 and 19590,  
Business and Professions Code.

Reference: Section 19590,  
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 18. PARI-MUTUEL WAGERING  
PROPOSED AMENDMENT OF  
RULE 1978. SELECT FOUR

Regular Board Meeting  
January 19, 2006

1978. Select Four.

(a) The Select Four ~~parimutuel~~ pari-mutuel pool is not a parlay and has no connection with or relation to any other ~~parimutuel~~ pari-mutuel pool conducted by the association, nor to any win, place and show pool shown on the totalizator board, nor to the rules governing the distribution of such other pools.

(b) A valid Select Four ticket shall be evidence of a binding contract between the holder of the ticket and the racing association, and the said ticket shall constitute an acceptance of Select Four provisions and rules contained in ~~Article 18~~ this article.

(c) A Select Four may be given a distinctive name to be selected by the association conducting such races, such as "PICK 4", subject to the approval of the Board.

(d) The Select Four ~~parimutuel~~ pari-mutuel pool consists of amounts contributed for a selection for win only in each of four races designated by the association with the approval of the Board. Each person purchasing a Select Four ticket shall designate the winning horse in each of the four races comprising the Select Four.

~~(e) Those horses constituting an entry of coupled horses or those horses coupled to constitute the field in a race comprising the Select Four shall race as a single wagering interest for the purpose of the Select Four parimutuel pool calculations and payouts to the public. However, if any part of either an entry or the field racing as a single interest is a starter in a~~



~~race, the entry or the field selection shall remain as the designated selection to win in that race for the Select Four calculation, and the selection shall not be deemed a scratch.~~

(fe) The net amount in the ~~parimutuel~~ pari-mutuel pool subject to distribution among winning ticket holders shall be distributed among the holders of tickets ~~which~~ that correctly designate the winners in all four races comprising the Select Four.

(gf) If no ticket is sold combining the four winners of the Select Four, the net amount in the ~~parimutuel~~ pari-mutuel pool shall be distributed among the holders of tickets ~~which~~ that include the winners of any three of the four races comprising the Select Four.

(hg) If no ticket is sold combining at least three winners of the Select Four, the net amount in the ~~parimutuel~~ pari-mutuel pool shall be distributed among holders of tickets ~~which~~ that include the winner of any two races comprising the Select Four.

(ih) If no ticket is sold combining at least two winners of the Select Four, the net amount in the ~~parimutuel~~ pari-mutuel pool shall be distributed among holders of tickets ~~which~~ that include the winner of any one race comprising the Select Four.

(ji) If no ticket is sold that would require distribution of the Select Four pool to a winner under this rule, the association shall make a complete and full refund of the Select Four pool.

(kj) If for any reason one of the races comprising the Select Four is cancelled, the net amount of the ~~parimutuel~~ pari-mutuel pool shall be distributed as provided above in subsections (f), (g), (h), and (i) ~~and (j)~~.

(lk) If for any reason two or more of the races comprising the Select Four is cancelled, a full and complete refund will be made of the Select Four pool.

(m) In the event a Select Four ticket designates a selection in any one or more of the races comprising the Select Four and that selection is scratched, excused or determined by the Stewards stewards to be a non-starter in the race, the actual favorite, as evidenced by the amounts wagered in the win pool at the time of the start of the race, will be substituted for the non-starting selection for all purposes, including pool calculations and payouts.

(n) In the event of a dead heat for win between two or more horses in any Select Four race, all such horses in the dead heat for win shall be considered as winning horses in the race for the purpose of calculating the pool.

(o) No ~~parimutuel~~ pari-mutuel ticket for the Select Four pool shall be sold, exchanged or cancelled after the time of the closing of wagering in the first of the four races comprising the Select Four, except for such refunds on Select Four tickets as required by this regulation, and no person shall disclose the number of tickets sold in the Select Four pool or the number or amount of tickets selecting winners of Select Four races until such time as the Stewards stewards have determined the last race comprising the Select Four to be official. Notwithstanding the above, at the conclusion of the third of the four races comprising the Select Four, an association may with the approval of the Board display potential distribution to ticket holders depending upon the outcome of the fourth race of the Select Four.

Authority: Sections 19420, 19440 and 19590,  
Business and Professions Code.

Reference: Section 19590,  
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 18. PARI-MUTUEL WAGERING  
PROPOSED AMENDMENT OF  
RULE 1979. TRIFECTA

Regular Board Meeting  
January 19, 2006

1979. Trifecta.

(a) The Trifecta is a separate pari-mutuel pool established on a single race. The pool consists of amounts wagered on horses to finish first, second and third in that exact order. It is not a parlay and has no connection with or relation to other pools conducted by the association or to rules governing the distribution of other pools.

(b) A valid Trifecta ticket is evidence of a binding contract between the holder of the ticket and the association and constitutes acceptance of Trifecta provisions and rules contained in this article.

(c) No Trifecta pool shall be established for a race with less than six wagering interests scheduled to start when the Trifecta pool opens for wagering in California. ~~A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for pari-mutuel purposes in accordance with Rule 1974.~~

(d) After the stewards' official order of finish is posted, the association shall distribute the net pool to holders of valid tickets that correctly selected the first, second and third finishers.

(e) In a dead heat for first or second position, only tickets selecting the correct order of finish for the first three finishers shall be winning tickets; that is, two horses in a dead heat for first shall be first and second, in either position; and two horses in a dead heat for second shall

be second and third, in either position. In a triple dead heat for first, the three horses shall be the winning combination regardless of the order of selection. In a triple dead heat for second, tickets with the correct first selection and two of the three horses shall be winning tickets. In a triple dead heat for third, tickets with the correct first and second selection and one of the three horses shall be winning tickets.

(f) If no ticket correctly selected the first, second and third position, the net pool shall be paid for tickets that selected first and second. If no ticket selected first and second the net pool shall be paid for tickets that selected first. The association shall refund the entire pool if no ticket selected first.

(g) If the stewards scratch a horse before wagering is closed, the association may exchange any ticket that includes the scratched horse. After wagering is closed, tickets selecting a scratched horse or a horse the stewards declared a nonstarter shall be eliminated from the pool and the purchase price refunded.

Authority: Sections 19440, and 19590,  
Business and Professions Code.

Reference: Section 19590,  
Business and Professions Code.

shall be second and third, in either position; and two horses in a dead heat for third shall be third and fourth, in either position. In a dead heat for fourth, tickets with the correct first, second, and third selection and one of the two horses in the dead heat for fourth shall be winning tickets. In a triple dead heat for first, tickets selecting the three horses in the dead heat, regardless of the order of selection, and the horse finishing fourth shall be winning tickets. In a triple dead heat for second, tickets with the correct first selection and all three horses in the dead heat shall be winning tickets. In a triple dead heat for third, tickets with the correct first and second selection and two of the three horses in the dead heat shall be winning tickets. In a triple dead heat for fourth, tickets with the correct first, second, and third selection and one of the horses in the dead heat shall be winning tickets.

(f) If no ticket selects the first, second, third, and fourth position, the net pool shall be paid for tickets that select first, second, and third. If no ticket selects first, second, and third position, the net pool shall be paid for tickets that select first and second. If no ticket selects first and second, the net pool shall be paid for tickets that select first. The association shall refund the entire pool if no ticket selects first.

(g) If the stewards scratch a horse before wagering is closed, the association may exchange any ticket that includes the scratched horse. After wagering is closed, tickets selecting a scratched horse or a horse the stewards declared a nonstarter shall be eliminated from the pool and the purchase price refunded.

Authority: Sections 19440 and 19590,  
Business and Professions Code.

Reference: Section 19590,  
Business and Professions Code.

**STAFF ANALYSIS**  
**REQUEST FOR APPROVAL OF**  
**CHARITY DISTRIBUTION**

**REGULAR BOARD MEETING**  
**JANUARY 19, 2006**

**Background:**

The Bay Meadows Foundation is requesting that the Board approve its proposed distribution of charity race day proceeds in the amount of \$58,064. The list of 21 beneficiaries is attached for your review. The distribution will give 50% to industry-related organizations. Staff finds this request to be in order.

**Recommendation:**

Staff recommends that the Board approve this request.

The Bay Meadows Foundation  
P. O. Box 4687  
Burlingame, Ca. 94011-4687

December 13, 2005

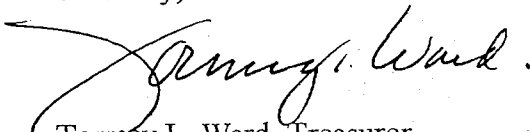
Mr. John Reagan  
California Horse Racing Board  
1010 Hurley Way, Ste. 300  
Sacramento, Ca. 95825

Dear Mr. Reagan,

Enclosed is a list of grants proposed by the Bay Meadows Foundation at our recent board meeting. The total of \$58,064 in grants includes the proper percentages for horse racing related charities. The Bay Meadows Foundation received \$59,129.09 from Magna Entertainment Corp. on October 15, 2005 representing Charity Day proceeds from the 2004 Spring and Fall meets at Bay Meadows.

Your approval of our grants will be appreciated. If you have any questions, please contact me at 650-327-2509. [REDACTED]  
94025. Thank you.

Sincerely,

  
Torrey L. Ward, Treasurer

cc. Don Thornton

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2005 DEC 16 AM 10:25

**BAY MEADOWS FOUNDATION  
GRANT AMOUNTS - 2005 MEETINGS**

NO.	CHARITY	AMOUNT GRANTED
<b>TRADITIONAL CHARITIES:</b>		
1	THE ARC OF SAN FRANCISCO	\$0
2	COMMUNITY GATEPATH	\$2,500
3	COMMUNITY GATEPATH	\$2,500
4	CORA	\$2,000
5	FRIENDS FOR YOUTH	\$1,000
6	IMMACULATE CONCEPTION ACADEMY	\$0
7	JEWISH HOME	\$2,000
8	JUNIOR ACHIEVEMENT OF THE BAY AREA	\$1,000
9	JUNIPERO SERRA HIGH SCHOOL	\$1,000
10	LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED	\$1,000
11	MID-PENINSULA BOYS & GIRLS CLUB	\$3,000
12	MISSION HOSPICE, INC. OF SAN MATEO COUNTY	\$2,000
13	RAPHAEL HOUSE	\$1,000
14	RAPHAEL HOUSE	\$0
15	SAINT VINCENT DE PAUL SOCIETY (SF)	\$0
16	SAINT VINCENT DE PAUL SOCIETY (SM)	\$1,000
17	SAN MATEO COUNTY HISTORICAL ASSOCIATION	\$2,500
18	SHELTER NETWORK	\$3,000
19	SITIKE COUNSELING CENTER	\$1,000
20	ST. FRANCIS CENTER (REDWOOD CITY)	\$2,000
21	TRIP FOR KIDS (MARIN)	\$0
SUB-TOTAL		<b>\$28,500</b>
<b>HORSERACING RELATED CHARITIES:</b>		
---	CALIFORNIA COUNCIL ON PROBLEM GAMBLING	\$6,000
---	CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION	\$3,000
---	DISABLED RIDERS ENDOWMENT	\$11,564
---	RACE TRACK CHAPLAINCY OF AMERICA (NORTHERN CALIFORNIA COUNCIL)	\$6,000
---	WINNERS FOUNDATION	\$3,000
SUB-TOTAL		<b>\$29,564</b>
TOTAL		<b><u>\$58,064</u></b>



**STAFF ANALYSIS**  
**REQUEST FOR APPROVAL OF**  
**CHARITY DISTRIBUTION**

**REGULAR BOARD MEETING**  
**JANUARY 19, 2006**

**Background:**

The Hollywood Park Racing Charities, Inc., is requesting that the Board approve its proposed distribution of charity race day proceeds in the amount of \$194,375. The list of 25 beneficiaries is attached for your review. The distribution will give more than 67% to industry-related organizations. Staff finds this request to be in order.

**Recommendation:**

Staff recommends that the Board approve this request.

**Hollywood Park Racing  
Charities, Inc.**

1050 South Prairie Avenue  
Inglewood, California 90301

**Mailing Address:**

P.O. Box 369  
Inglewood, California 90306

(310) 419-1500

**President and Chairman:**

Tirso Del Junco, M.D.

**Secretary:**

Barbara Richardson Knight

**Treasurer:**

Angie Dickineon

**Vice Presidents:**

Willie D. Davis  
Alvin Segel, Esq.

November 28, 2005

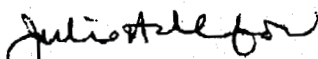
Mr. John Reagan  
Senior Management Auditor  
California Horse Racing Board  
1010 Hurley Way, Suite 300  
Sacramento, CA 95825

Dear John:

Enclosed is the list of grants for 2005 from the Hollywood Park  
Racing Charities, Inc. to be put on the agenda for the next CHRB  
meeting in  
January.

Thank you for your consideration.

Sincerely,



Dr. Tirso del Junco  
Chairman

DTdJ:jp  
attachment

**Hollywood Park Racing Charities, Inc. - 2005****Education**

HPRC/Inglewood Educational Fund	<u>\$15,000</u>
	<b>\$15,000</b>

**Health**

Inglewood Children's Dental Center	\$2,500
Mattel's Children's Hospital	\$2,500
Villa Scalabrini	<u>\$1,000</u>
	<b>\$6,000</b>

**Miscellaneous**

Los Angeles NAACP	\$5,000
Los Angeles Urban League	\$5,000
Inglewood Business Opportunity Network	<u>\$2,500</u>
	<b>\$12,500</b>

**Racing**

California Equine Retirement Foundation	\$3,000
California Thoroughbred Horsemen's Foundation	\$20,000
Disabled Jockeys Endowment	\$38,875
Edwin Gregson Foundation	\$14,000
Don MacBeth Memorial Jockey Fund	\$ 5,000
Shoemaker Foundation	\$23,000
Southern California Equine Foundation	\$ 7,500
Winners Foundation	<u>\$20,000</u>
	<b>\$131,375</b>

**Social Services**

Casa Colina	\$3,000
Centinela Youth Services	\$2,500
Children's Bureau of So. California	\$2,500
Inglewood After School Program	\$2,000
Inglewood Recreation Department	\$2,000
Inglewood Senior Citizens Center	\$3,000
International Life Services	\$3,000
Saint Margaret's Center	\$3,500
Salesian Boys & Girls Club	\$4,000
Watts/Willowbrook Boys & Girl Club	<u>\$4,000</u>
	<b>\$29,500</b>

**\$194,375.00**

**STAFF ANALYSIS**  
**EFFECTS OF MAKING THE RACING AUDIO-VISUAL SIGNAL**  
**AVAILABLE TO ALL LICENSED ADW PROVIDERS**

REGULAR BOARD MEETING  
JANUARY 19, 2006

**Background:**

Since the inception of Advance Deposit Wagering (ADW) in California there have been some who believed that all of the licensed ADW providers should have access to all California racing programs. However, prior to the passage of the ADW law, a number of California racing associations and TVG signed exclusive contracts for the day that ADW was made legal. Those contracts are still in effect. Similarly, when Magna created Xpressbet for the purposes of ADW Xpressbet began with exclusive arrangements with the Magna tracks.

During the last re-licensing of the three ADW providers (December 2004) this issue of the open format resurfaced and was discussed but the Board did not make it a condition of licensing at that time.

On the other hand, since the advent of ADW the California Authority of Racing Fairs (CARF) made it a point to negotiate with all three ADW providers licensed in California to take the signal from the CARF live racing programs. All indications are that this has been a positive move for CARF. In addition, TVG and Youbet have made agreements whereby Youbet has been able to offer wagering on some of the TVG "exclusive" tracks and likewise, Xpressbet has also made arrangements with Youbet to allow Youbet to offer some of the Magna tracks to be included in the Youbet system.

**Recommendation:**

Staff recommends that the Board hear from racing associations and ADW hubs regarding this issue.

**STAFF ANALYSIS**  
**LIMITING THE IMPACT OF OFFSHORE ENTITIES**

**REGULAR BOARD MEETING**  
**JANUARY 19, 2006**

**Background:**

Ever since California law was amended to allow California racing associations to export their racing programs to out of state (and out of country) racing entities there has been concern about sites that do not contract with California but make use of the audio-visual signal nonetheless. The CHRB's Pari-mutuel Operations Committee highlighted this issue as well as other issues relating to out of state wagering on California's racing product during several meetings between 2000 and 2001. However, no consensus was reached or a plan of action formulated at that time.

Prior to 9/11 the industry appeared to be making progress at the national level in getting the attention of the necessary federal and international agencies necessary to address the offshore simulcasting concerns. However, priorities took a swift change after 9/11 and the issue has not moved forward since that time.

**Recommendation:**

Staff recommends that the Board hear from industry members on this issue.

STAFF ANALYSIS  
REPORT FROM THE AD HOC COMMITTEE  
ON  
JOCKEY WEIGHT PROCEDURES FOR  
PUBLIC DISCLOSURE AND ACCURACY

Regular Board Meeting  
January 19, 2006

## BACKGROUND

The Ad Hoc Committee (committee) on Jockey Weights was created at the October 2005 Regular Board Meeting to develop procedures to ensure that horses carry their assigned weight in races and to fully inform the public about the weight horses actually carry. The committee, comprised of a range of industry representatives, met in October 2005 and endorsed new policies and expressed support for strict enforcement of existing regulations pertaining to weights and weighing procedures. To prepare the industry for change, and provide an opportunity for comment, current Board regulations regarding weights and weighing procedures were given to jockeys riding in this state, and the proposed procedures were made public. The committee met again in November 2005 and formulated additional steps to accurately disclose the true weights carried by horses and to implement standardized procedures before and after the race to confirm the accuracy of the weights. In addition, the committee agreed to test its proposed procedures during the 2006 Santa Anita winter meeting.

A primary goal of the committee is the accurate disclosure of the true weight carried by horses. Horses throughout the United States are currently carrying up to five or six pounds of weight that is not publicly announced. Under the proposed California procedures, that weight would be disclosed, making it appear that horses racing in this state carry more weight than elsewhere. This might cause confusion among bettors and horsemen in other racing jurisdictions where the published weights continue to understate the true weight carried. The committee resolved to attempt to convince other jurisdictions and major racing associations to join with California and implement the changes on a national basis.

## ANALYSIS

Depending on the outcome of the experiment with the committee's proposals at the 2006 Santa Anita winter meeting, some Board regulations may have to be amended before the procedures, which are outlined below, can be implemented. The procedures set forth by the committee make no changes to the scale of weights, nor do they address health issues, which are separate matters being addressed by the Board and the industry. The procedures are designed to ensure horses carry their assigned weight and to fully inform the public of all weight carried by horses.

- All riders in the jockey's rooms at Santa Anita Park, Golden Gate Fields, and Los Alamitos Race Course, along with the clerks of scales and the stewards, have been

provided with the attached rules concerning the attendance, behavior, and responsibilities of riders and officials as they pertain to the weighing of riders.

- CHRB staff and a representative of the Jockeys' Guild are researching the American Society for Testing and Materials standards for equine safety equipment to determine the brands and ratings of safety vests and helmets for approval.
- Each rider must designate his safety equipment and register the weight of that equipment with the clerk of scales. Each jockey's safety equipment will be marked to verify it is approved and that the clerk of scales has weighed it.
- The clerk of scales shall randomly verify the weight of the safety equipment of at least three riders each race day.
- Each racing venue must provide three scales for the weighing out/in process. One scale shall remain in the jockey's room and another shall remain near the winner's circle for the weigh in, while a third scale shall be placed in an unrestricted area for the weigh out in full public view.
- Approximately one hour before the first race, the clerk of scales shall weigh each jockey without his clothing or equipment to ascertain his actual body weight.
- A jockey must obtain direct verbal permission from the stewards to report to the jockey's room later than one hour before the first race. Such permission must be obtained on each occasion.
- A steward or designated person representing the CHRB must be present when jockeys weigh out for each race.
- Each jockey will weigh out for each race on the public scale, and must be wearing all clothing and equipment that he will wear in the race.
- After weighing out for each race, participating jockeys shall immediately proceed to a designated common area or to the saddling paddock.
- A steward must check the scale sheets for accurate weights each race day.
- The following language shall appear in the official racing program:

A jockey's riding weight includes riding clothing, saddle, undergirth, and pad. The weight listed in the program does not include the jockey's safety equipment, which consists of the helmet, goggles, safety vest, and overgirth, and may also include a pommel pad, girth channel, and/or chamois. The total weight of this excluded safety equipment shall not exceed five pounds. The saddlecloths, whip, and bridle are not included in the five-pound limitation on safety equipment. The weight of the saddlecloth, bridle, whip, and all safety equipment is additive to and not included in the program weight or announced overweight.



- The ad hoc committee will continue discussions and research relating to uniformity in saddlecloths and other equipment carried by the horse in races.
- Racing Associations will be provided a timeframe to install video cameras to observe and record the weigh out process for each race.

#### RECOMMENDATION

This item is presented for discussion.

**ITEM 12**

**CALIFORNIA HORSE RACING BOARD**

**January 19, 2006 Regular Board Meeting**

There is no board package material for this item.

**STAFF ANALYSIS**  
**FORMULATING A PLAN TO DISTRIBUTE HARNESS FUNDS**

REGULAR BOARD MEETING  
JANUARY 19, 2006

**Background:**

At its June 30, 2005 meeting, many believed that the Board ordered Capitol Racing, LLC, to return nearly \$1.5 million pursuant to Section 19605.7c (commonly referred to as "promotion funds") to the harness horsemen. The Board opined at that meeting that the amount was incorrectly withheld from the horsemen during the meets from 1997 through 2004. The horse racing law indicates that this source of funds should be split 50-50 with the horsemen pursuant to a written agreement. There was no written agreement regarding this matter but Capitol maintained that they had the permission of the horsemen's organizations to spend the entire amount of funds on promotional matters. The horsemen disagreed with Capitol on that matter and after many discussions the Board made the above referenced ruling on June 30, 2005.

As indicated in the attached letter from Capitol litigators, it is their position that the Board did not order payment but rather a proper distribution or a credit to the purse account, etc. This item is to make it clear that the Board meant for the funds to be paid to harness horsemen. In addition, a plan for making that payment is also necessary. Now that Capitol is no longer doing business in California, one widely suggested plan is for the monies to be paid to the horsemen's organization for distribution to those horsemen who participated in the meets covered by this issue. Other plans may also be put forth at this meeting.

It should also be noted that the lawsuit initiated by Capitol regarding this matter is still ongoing.

**Recommendation:**

Staff recommends that the Board hear from DAG Randy Pinal on this matter as well as the harness horsemen and other interested parties.

STEVENS & O'CONNELL LLP

ATTORNEYS

400 CAPITOL MALL, SUITE 1400  
SACRAMENTO, CALIFORNIA 95814-4498  
www.stevensandoconnell.com

TELEPHONE: (916) 329-9111  
FACSIMILE: (916) 329-9110

BRADLEY A. BENBROOK  
bab@stevensandoconnell.com

FILE NUMBER

November 30, 2005

**Via Personal Delivery**

Mr. Roy Minami  
California Horse Racing Board  
1010 Hurley Way  
Sacramento, California 95865

Re: Capitol Racing, LLC

Dear Mr. Minami:

I am writing on behalf of Capitol Racing in connection with Items 9 and 10 on the agenda for the December 1, 2005 meeting of the California Horse Racing Board (the "Racing Board").

**The Racing Board Has Not Ordered Capitol To Pay Promotion Fund Money To Anyone. Rather, The Board Has Apparently Assumed That The Alleged Promotion Fund Liability Will Be Satisfied By Offsetting The Horsemen's Obligation To Capitol.**

Item 9 on the Racing Board's agenda for the December 1 meeting calls for discussion and action on the "proper distribution" of the funds at issue in the Racing Board's disputed "promotion fund" ruling of June 30, 2005. The Staff report in the Board package states that "[o]n June 30, 2005, the Board ordered CR to reimburse their purse account approximately \$1.487 million in promotion funds that had been misdirected from 1997 through 2004. Capitol has not complied with the Board's order and this item is to begin the process of formulating a plan to properly implement the Board's order and distribute the money."

The Staff's contention that Capitol has not complied with the Board's order regarding promotion funds is not correct. It appears that the Staff assumes that the Racing Board's June 30 decision resulted in an order that Capitol Racing actually pay money to horsemen. The Racing Board has made no such order.

At the June 30 meeting, Commissioner Shapiro's motion called for the disputed amount of Promotion Fund money be "reallocated" such that the disputed amount would be "credited or

November 30, 2005

Page 2

paid" to the purse pool account for races organized by Capitol Racing -- an account that the Board has long acknowledged owes Capitol Racing more than \$1 million. Moreover, the motion called for the Staff to report back to the Racing Board about how best to accomplish the "crediting" of the purse pool. The following discussion from the June 30 meeting confirms this:

COMM. SHAPIRO: . . . I move that we require Capitol Racing to pay to CHHA 50 percent of the ADW promotion fund monies.

CHAIRPERSON HARRIS: Why don't we clear -- where would money go, into a past purses or future purses or --

...

COMM. SHAPIRO: . . . I guess that's a different issue.

CHAIRPERSON HARRIS: I mean it would -- it would offset the overpayment first, and even though I realize there's some other monies out there.

COMM. SHAPIRO: Right. In the event that the money should be used to equalize any overpayment, if there is an overpayment, and it should be distributed pursuant to what racing law provides.

CHAIRPERSON HARRIS: Okay. Go ahead.

MR. HOROWITZ: Alan Horowitz, Capitol Racing. As a point of clarification in your motion. It talked about Capitol Racing returning money to CHHA. The provision of law says for distribution of purses. And the question is: Are we talking about giving a lump sum of money to -- or being required to provide a lump sum of money to the horsemen's association? Or are we talking about working out some formula or some way of returning it to the purses? And then the issue becomes, since these funds supposedly started in 1997, are we talking about a lump sum for horsemen that are racing today, do they become the beneficiaries of this by way of some formula? Or are we obligated -- and some horsemen would contend that we owe it to the horsemen who raced in those years on some kind of pro rata distribution retroactively to them.

...

COMM. SHAPIRO: Yeah, I would ask that staff work with Capitol and CHHA and any other applicable harness entity that should be involved to advise on how those monies should be returned, and let staff report back to us on that.

...

CHAIRPERSON HARRIS: Okay. You want to restate your motion and we'll get a second.

...

COMM. SHAPIRO: Okay. I would move that the promotional monies that have been used by Capitol Racing be reallocated such that 50 percent of those monies are credited or paid to the purse pool of the harness horsemen, that staff be directed to advise us on how those monies

November 30, 2005

Page 3

should ultimately be returned and what the best form is and the -- oh, pursuant to Code Section -- brilliant here -- Section 19605.7c of the Racing Code.

Transcript, June 30, 2005 CHRB meeting, pp. 48-52 (emphasis added).

The motion passed, and Mr. Reagan stated that "Staff will take care of this."

That the Racing Board viewed its promotion fund ruling as an internal accounting adjustment was further evidenced at its August 18, 2005 meeting. When Commissioner Shapiro asked what the Staff had done to "mandate[] that Capitol Racing return that money and have it properly distributed to the horsemen," the discussion confirmed that the Board was not requiring Capitol to physically pay money to anyone. See Transcript, Aug. 18 meeting, pp. 95-106 (discussing "forc[ing] the issue" by "mak[ing] the adjustment internally"; "imput[ing] the return of the promotional monies back to the purse account"; "credit[ing] the promotion fund" to the purse account balance; and "chang[ing] the records to reflect then that we impute that promotion money is credited back to the purse account").

At that same August Board meeting, CHHA's lawyer asked the Board to refrain from taking any further, formal recognition of the by-then-universally-recognized fact that Capitol's purse account was overdrawn by the horsemen, and that Capitol is owed money as a result. CHHA apparently wishes to take the novel position in litigation that horsemen don't have to pay their debts -- that Capitol Racing advanced millions of dollars to its purse account at CHHA's request to cover Los Alamitos' illegal withholding of so-called 6/12 Money as "security" for a non-existent liability for "impact fees," yet Capitol has no right to recoup any of that money. In other words, CHHA wants to renege on its agreement with Capitol that Capitol could recoup its advances to the purse pool through the periodic SCOTWINC rebates and the so-called 6/12 Money being held by Los Alamitos.

Indeed, CHHA has taken matters into its own hands by agreeing with Los Alamitos to simply take the 6/12 money for its own purposes, despite having assigned its right to such money to Capitol -- an assignment that has been repeatedly acknowledged by the Racing Board. Rather than quoting page after page of CHRB meeting transcripts in which these facts and the resulting legal relationship among Capitol, CHHA, and Los Alamitos was discussed and acknowledged, we will refer you to the Minutes of the June 30 CHRB meeting for a cogent summary. See pp. 10-11 (noting "the [6/12] monies were ultimately payable to CR. While Los Alamitos was withholding the funds, CR continued to pay purses at a level that assumed the purse-designated funds were being received. DAG Knight said there was no overpayment of purses as they were being paid in accordance with the moneys that were payable to CR. Commissioner Shapiro said that meant the impact was neutral, and what were currently 6/12 monies belonged to CR since it paid the purses as if the monies had been received from Los Alamitos." "Commissioner Shapiro said if Los Alamitos had not withheld any 6/12 funds, there would be no underpayment of purses. Mr. Reagan said that was correct. He stated when CR advanced funds to the purses, it

November 30, 2005

Page 4

did so with the expectation of getting it back. When Los Alamitos remitted the money, it would be used to settle the purse accounts.") (emphasis added).

In that agreement, CHHA and Los Alamitos decided to: (1) send \$880,000 of the 6/12 Money to Sacramento Harness Association so that harness horsemen could be paid for a second time with that money (Capitol Racing paid it the first time by covering Los Alamitos' statutory duty to pay 6/12 Money), thereby unjustly enriching Sacramento Harness, and (2) allow Los Alamitos to pocket \$1 million of the 6/12 Money, despite having agreed with the Racing Board to hold all of that money in trust for Capitol Racing's purse pool account pending resolution of the impact fee litigation (which at that time had not been resolved but now has – in Capitol's favor). Notably, Los Alamitos and CHHA sent representatives to that meeting, and those representatives failed to disclose to the Board that they had agreed to abscond with the 6/12 Money.

The August 2005 meeting provided a good opportunity for the Racing Board to look into these issues. Instead, the Racing Board took no action on any of these matters, including the promotion fund. Commissioner Shapiro asked the Staff to "please delve into this, and in fact to report back on both the bond, the letter of credit and take appropriate action with respect to the promotion fund so that we can get a clear understanding. And I ask that our attorney will look into what action perhaps should be recommended to this Board." Trans., Aug. 18, 2005 CHRB meeting, p. 109.

Thus, to date, the Racing Board has not ordered Capitol Racing to write a check to anyone for the disputed promotion fund liability; indeed, the Board has apparently proposed – but not decided – to simply view the alleged promotion fund liability as an offset against the long-recognized sums that the purse account owes Capitol Racing. Although Capitol sought the Board's agreement to a "stay" of this order, on closer analysis it is not clear what a stay would accomplish, as the order does not call for Capitol to do anything.

To the extent the Board has purported to impose an internal Board accounting liability on Capitol, that imposition (whatever its legal effect) remains the subject of Capitol's pending writ petition, and the Racing Board will have the opportunity to explain (1) how the Board had jurisdiction to decide that language in the Horsemen's Agreement required Capitol pay the promotion fund money, and (2) even if the Racing Board had jurisdiction, how it could possibly impose such an obligation in the face of, among other things, un rebutted evidence from former Presidents of the CHHA that CHHA had agreed that Capitol could use the money for promotion and did in fact use the money for promotion, to the horsemen's benefit.

Moreover, Capitol will be filing a new lawsuit aimed, in part, at recouping the money owed to it. Capitol anticipates that CHHA's excuses for taking the 6/12 Money and not paying back Capitol's advances to the purse pool will be offered in its defense of this suit. In short, all

November 30, 2005

Page 5

of the unresolved issues relating to Capitol's purse account are or will soon be in litigation (or, if the parties agree, in mediation).

The Board's June 30 order states what it states, and it does not call for actual payment by Capitol to anyone. Capitol's exercise of its constitutional right to challenge that order cannot be considered a "failure to comply" with the order, and any new order purporting to require Capitol to write a check would appear to be made in retaliation for Capitol's challenge. In any event, considering that Capitol is no longer a licensee of the Racing Board, the Board retains no jurisdiction to impose such a new order on Capitol.

Accordingly, Capitol requests again that, unless the Racing Board is willing to withdraw its promotion fund order and demand that CHHA and Los Alamitos replenish the 6/12 Money to Capitol's purse account for settlement of the account, the Board take no further action regarding the promotion fund or any other alleged purse account issue.

**In Light Of The Judgment In Capitol's Favor In The Impact Fee Suit, Item 10 On the Board's Agenda Should Result In The Return To Capitol Of All Forms Of Security Exacted By The Board.**

The Board's May 2003 "impact fee" decision has resulted in the retention by the Racing Board and Los Alamitos of various forms of "security" aimed at ensuring Los Alamitos would obtain the benefit of the Board's decision. As set forth in the attached Judgment and Peremptory Writ of Mandate, however, the Sacramento Superior Court has ordered the Racing Board to "[n]ullify and invalidate in its entirety" that May 2003 impact fee decision, and to "[a]ct consistently with the Court's ruling . . . in any further proceedings you choose to take in respect to this matter."<sup>1</sup> In light of the Judgment in the impact fee litigation, all forms of security aimed at enforcing the impact fee decision should be released.

Capitol has already written to the Racing Board regarding the three forms of security controlled by the Board: (1) the \$475,000 escrow account; (2) the \$1,000,000 bond; and (3) the \$1,000,000 letter of credit. The Board should retain none of that security. Maintaining security to enforce a decision that has been ordered "[n]ullif[ied] and invalidated" makes no sense, and would plainly not be an act "consistent[] with the Court's ruling" in these "further proceedings" of the Board. Indeed, the Racing Board's own lawyer (Mr. Pinal) has told me he can conceive of no legitimate reason why such security should not be released.

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<sup>1</sup> The Writ was served on the Racing Board on November 29, 2005. The Board must show its compliance with the Writ "within fourteen (14) days after [its] next regularly scheduled meeting following service," that is, within 14 days of the December 1, 2005 meeting.



November 30, 2005

Page 6

As the Board knows, the bond and the escrow fund were delivered to the Board pursuant to an agreement entered into on the record at the February 19, 2004 Racing Board meeting. The board is a party to that agreement. That agreement was entered into for the purpose of ensuring that Los Alamitos would receive the benefit of the impact fee decision. The agreement purported to allow Los Alamitos to retain as additional "security" the 6/12 Money payable to Capitol for use in its purse account. See, e.g., Minutes, February 19, 2004 Board Meeting, p. 9 (describing agreement and noting that "LAQHRA was holding \$1.3 million that would have been paid to CR"); see also Staff Analysis, Item 6(b), June 30, 2005 Board Package (referring to 6/12 Money as "[a]nother source of purse funds" for Capitol's purse account; "Because of the impact fee dispute and by agreement with Capitol and the CHRB, Los Alamitos is holding \$1.9 million in 6/12 funds as security against any future decision regarding the impact fee dispute."). The agreement also called for the payment by Capitol of \$500,000 dollars directly to Los Alamitos. The Board's minutes reflect that Los Alamitos' attorney "stated the agreement was contingent on a decision by the Superior Court in Sacramento." Minutes, Feb. 19, 2004 Board Meeting, p.9.

As discussed at length above and in several previous letters to the Racing Board, Los Alamitos has breached this February 2004 agreement by conspiring with CHHA to dispose of the 6/12 Money before any decision was reached in the impact fee litigation. It should also be noted that the Board's authority to enter into this "security" agreement in the first instance is highly questionable, as the agreement purported to contract around Business & Professions Code § 19596.1(a), which permits Los Alamitos to import out-of-state races only if it distributes 6/12 Money for purses, among other conditions.<sup>2</sup> Moreover, Capitol contends that the agreement is voidable by it in light of the coercive circumstances in which it was reached.

In any event, since the Racing Board has entered into this agreement, Capitol requests that the Racing Board (1) recognize that the agreement has now run its course and cannot remain intact in light of the Judgment and Los Alamitos' breach; and (2) order Los Alamitos to return its security, thereby bringing the Board into compliance with the Judgment and Los Alamitos into belated compliance with Section 19596.1.<sup>3</sup>

<sup>2</sup> Indeed, Commissioner Shapiro (who was not involved in the February 2004 "security" agreement), has strongly questioned the authority of Los Alamitos to withhold the 6/12 Money. See Transcript, March 2005 Meeting, p. 120 ("I don't know what authority he has to withhold 6/12 money. I don't know where that comes from. . . . What gave him the authority to hold that money in the first place? I don't understand that.").

<sup>3</sup> Despite breaching the agreement and despite losing the impact fee litigation in the Superior Court, Los Alamitos has refused to return its security on the ground that it intends to appeal. Even conceding Los Alamitos' voracious appetite for "security," it is utterly anomalous to consider that the winning party should be forced to allow the losing party to retain security deposits pending an appeal.

November 30, 2005  
Page 7

In order for the Board to "[n]ullify and invalidate[]" in its entirety" the May 2003 impact fee decision, and to "[a]ct consistently with the Court's ruling . . . in any further proceedings you choose to take in respect to this matter," the Board should order the return to Capitol of all forms of security imposed for the purpose of ensuring compliance with the nullified order.

Accordingly, Capitol requests that the Board vote on and approve the return to Capitol of all forms of security imposed in connection with the impact fee litigation.

Thank you for your attention to these important matters.

Sincerely,



Bradley A. Benbrook

Encl.

cc: Randall Pinal (*via fax and email*)  
Gregory S. Markow (*via email*)